COMPREHENSIVE

ANNUAL

FINANCIAL REPORT

FOR FISCAL YEAR ENDED

SEPTEMBER 30, 2015

CITY OF PLANO, TEXAS

Plano
City of Excellence

CITY OF PLANO, TEXAS

Comprehensive Annual Financial Report

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2015

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

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January 13, 2016

To the Honorable Mayor, Members of the City Council
and Citizens of the City of Plano, Texas:

The Comprehensive Annual Financial Report (CAFR) of the City of Plano, Texas (the City or Plano), for the year ended September 30, 2015, is submitted in accordance with Section 3.14 in the City Charter.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose.

KPMG LLP has issued an unmodified (clean) opinion on the City's financial statements for the year ended September 30, 2015. The independent auditors' report is located in the beginning of the financial section of the CAFR.

This letter of transmittal is designed to complement Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements.

City of Plano Profile

The City of Plano is the largest city in Collin County, located in the southwest corner of the county, approximately 20 miles north of downtown Dallas. There are currently 72.1 square miles of land in the City's boundary.

The City was incorporated on June 2, 1873, under the provisions of H.B. 901 of the Texas Legislature. It was subsequently chartered on June 10, 1961, and operates under a Council-Manager form of government. The City Council is comprised of a Mayor and seven members and is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as appointing the members of various statutory and advisory boards, the City Manager, City Attorney, and a Municipal Judge. The City Manager is the chief administrative officer of the government and is responsible for the enforcement of laws and ordinances, the appointment and supervision of the Deputy City Managers, Assistant City Managers, and heads of departments, and the performance of functions within the municipal organization.

Financial reporting of the entity (the government) includes all the funds of the primary government (i.e., the City of Plano as legally defined), as well as the Tax Increment Financing District, a discretely presented component unit. Discretely presented component units are legally separate entities and are not part of the primary government's operations. The government provides a full range of services including police and fire protection, environmental health, sanitation services, community development, building inspection, traffic control, parks and libraries, the construction and operation of water, sewer, drainage, environmental waste services, streets and infrastructure, and convention, tourism, and cultural events. The Plano Housing Authority, a related organization, is not a part of this report as the City's accountability does not extend beyond making the appointments of the Plano Housing Authority Board.

Harry LaRosiliere, Mayor | Lissa Smith, Mayor Pro Tem | Ben Harris, Deputy Mayor Pro Tem | Angela Miner, Place 1 | Rick Grady, Place 3 | Ron Kelley, Place 5 | Tom Harrison, Place 7 | David Downs, Place 8 | Bruce D. Glasscock, City Manager

Local Economy

Plano is a community that offers exceptional housing, award-winning schools and a dynamic business climate, all of which are strong factors in the success of the City's economy. The City continues to benefit from other favorable conditions associated with Plano including a stable, diverse economic base and a desirable location for work and living.

Since 2014, Plano's population grew an estimated 1.3% to 273,600 in 2015. According to residential development projections by the City's planning department, it is projected to grow to 286,400 by 2025 and to 300,000 by 2035.

According to the U.S. Census Bureau, the median household income of Plano is $81,571.

According to *Niche.com*, Plano is the Best City to Raise a Family taking into consideration school ratings, age demographics, crime rates and access to affordable housing and childcare. Plano is ranked as the #2 Best City for Families by *wallethub.com*. Scoring was based on socio-economic environment, education and child care, affordability, health and safety, family activities, and other factors.

Creditdonkey.com has ranked Plano #2 as part of their study for the Best Cities to Live in Texas. Factors considered include crime rate, commute time, income, education, and restaurants per capita.

In 2015, *liveability.com* listed Plano as the second Best City for Families citing the highly regarded education systems, recreation centers, opportunities to explore nature in addition to the diverse population. *Datingadvice.com* ranked Plano the #7 Best City to Start a Family taking into consideration education, entertainment, and safety.

Plano is the second city in Texas, and thirty-second in the nation to be awarded the 4-STAR Community Rating for Sustainability. The rating system evaluates cities based on natural systems, climate and energy, economy and jobs, arts and community, education, and health and safety.

Money.cnn.com notes that the Trust for Public Land, a U.S. nonprofit organization, ranks the best parks in America based on the percent of city land devoted to parks, park size, the amount of park spending per resident as well as dog runs, playgrounds, and recreation and senior centers available. In 2015, Plano was ranked #17 for the Best Parks in America.

Based on safety, affordability, education, home value, as well as other factors, *The Dallas Morning News* has included 3 Plano neighborhoods within the Top 10 Best Neighborhoods in the Metroplex.

According to *smartasset.com*, Plano is named a Top 10 Best City for Women in Tech taking into consideration, women as a percent of the tech workforce, income, and employment growth.

Wallethub.com has ranked Plano as the 3rd Hardest Working City in America. The ranking is based on average workweek hours, commute time, labor force participation rate, leisure time and other factors.

Plano's Parks and Recreation Department has been named the 2015 National Recreation and Parks Association's (NRPA) Gold Medal winner for Excellence in Park and Recreation Management. Factors considered include resource management, agency recognition, long-range planning in addition to being able to address the needs of the citizens, staff, and elected officials.

The American Planning Association has named Downtown Plano as one of America's four Great Neighborhoods stating it's 'DART-able, stroll-able, livable, shop-able…live-music-able'.

Plano remains one of only a few cities in the United States receiving an "AAA" bond rating, the highest possible bond rating from Moody's Investor Services, Standard & Poor's and Fitch IBCA. In issuing their ratings, they praised the City for its stable financial position driven by conservative budgeting as well as its large and diverse tax base and strong management practices.

Given Plano's continued pro-business attitude and enthusiastic accommodation of industry, the City continues to prosper economically. The following categories represent key factors that impact Plano's economic and financial success:

Property Tax Revenues

Property tax revenues are the City's largest source of funding. Tax collections totaled $139.8 million for fiscal year 2015, an increase of 7.2% from the prior year. According to the Collin County Appraisal District, Plano property appraisals increased 7.1% for 2015 on property tax estimates.

Sales Tax Revenues

After property tax revenues, the General Fund's second largest revenue source is sales tax generated from a variety of businesses operating in the City. Sales tax collections are produced primarily from Plano's sizeable retail base including two major shopping malls, 70 shopping centers, The Shops at Legacy, Historic Downtown Plano with Dallas Area Rapid Transit (DART) light rail access, as well as hundreds of specialty shops and major retailers throughout the City.

Sales tax allocations to the City totaled $76.3 million from October 2014 through September 2015, an increase of 2.5% compared to fiscal year 2014.

Employment

A strong business atmosphere, coupled with a highly educated and motivated workforce, continue to draw diverse companies to relocate to Plano. The three largest job sectors are professional, scientific, and technical services; healthcare; and retail trade. According to the U.S. Census Bureau, 54% of Plano residents have a bachelor's degree or higher. The unemployment rate in Plano for fiscal year 2015 was 3.5% compared to 4.6% in 2014.

Plano's large businesses, employing 1000+, include Alcatel-Lucent, Bank of America Home Loans, Capital One Finance, CIGNA, Dell Services, Dr. Pepper Snapple Group, Ericsson, Frito-Lay, HP Enterprise Services, Intel Security, J.C. Penney, MedAssets, Medical Center of Plano, PepsiCo, and Texas Health Presbyterian Hospital Plano. Employing 500-999, companies having significant operations in Plano include Baylor Regional Medical Center at Plano, Children's Medical Center Plano, CROSSMARK, CVE Technologies Group, Denbury Resources, Flextronics, Intuit, Pizza Hut/YUM! Restaurants International, Rent-A-Center, St. Jude Medical Neuromodulation Division, Tektronix Communications, The Heart Hospital Baylor Plano, Transamerica and XO Communications. This type of environment creates a broad range of employment opportunities for Plano and area residents and creates a significant business component to the local tax base.

Job Growth

In fiscal year 2015, the following businesses announced relocation and expansion:

Liberty Mutual Insurance Company, a global insurance provider headquartered in Boston, MA, will construct a new regional operations campus in the Legacy West development. The campus, with two towers, will total over 900,000 square feet and employ over 4,000 by the end of 2017.

Cinemark Holdings, a global theater chain operator, purchased their headquarters located on 3900 Dallas Parkway. The 120,000-square-foot building, originally constructed in 1998, has been leased by Cinemark since the opening of the building.

Ciber, Inc., a global IT consulting company, opened its new Global Strategic Sales center and Global Learning and Development facility in January 2015. The company occupies 26,000 square feet, located on 6860 N. Dallas Parkway, and will employ up to 300 by the end of 2018.

Oceans Healthcare, which specializes in the development and management of behavioral health services, relocated its corporate headquarters from Louisiana to 5850 Granite Parkway. The company occupies 7,000 square feet with 25 employees.

Allied BioScience, founded in 2005, produces and distributes antimicrobial surface coatings to the healthcare industry. In May 2015, the company moved their national headquarters to 5000 Legacy Drive, occupying 6,000 square feet. The company moved their headquarters from Dallas, where they still maintain a small office presence. Allied BioScience employs 12 nationally, with 6 employees in the Plano office.

Alcatel-Lucent, a global telecommunications equipment company, announced plans to consolidate the company's operations in Plano. Formerly in two separate buildings in Plano, the company will move their employees to a new facility at the corner of Lotus Drive and Independence Parkway. The new four-story, 260,000-square-foot building will serve as the central operations facility. Construction is slated for completion in late 2016 and will include a rooftop terrace, state-of-the-art labs and creative work spaces.

Pizza Hut/Yum! Restaurants International will increase their footprint with plans to expand their Plano headquarters. The 60,000-square-foot addition will include a 3-story and single-story building. The company plans to add office space and a training facility that will create or transfer up to 150 jobs by 2020.

Hilti North America, a Tulsa-based global manufacturer and subsidiary of Hilti Corporation, relocated its corporate headquarters to Plano in June 2015. Hilti supplies specialized tools and fastening systems for the construction industry. The company has leased two floors, totaling 56,000 square feet, in the new Legacy Tower, at 7250 Dallas Parkway. Based in Tulsa since 1979, the company plans to transfer the majority of its corporate staff to Plano and will initially have a staff of 175 employees. The company's distribution centers, test lab and repair services will be located in surrounding Dallas-Fort Worth cities.

LegacyTexas, was formed recently when LegacyTexas Bank merged with ViewPoint Bank, creating one of the largest independent banks in Texas, representing 51 branches and over $5 billion in pro forma assets. The company consolidated its corporate headquarters into the top three floors of the former Encana Tower, located at 5851 Legacy Circle. The banking firm occupies 78,700 square feet and will have 215 employees by 2016. The banks, previously located on Preston Road and Legacy Drive and 1201 W. 15th Street, moved into their new building in late 2014. Renamed Plano Tower, LegacyTexas is the first new tenant to occupy the 318,000-square-foot multi-tenant building.

The Renaissance Hotel began construction in 2015 on a 270,000-square-foot full-service hotel located west of the Dallas North Tollway in the new $2 billion Legacy West development. The $82 million hotel project will feature 300 rooms and over 26,000 square feet of conference space. The high-rise hotel is part of the 240-acre Legacy West development which will feature corporate office space, apartments and a shopping center.

L-3 Mustang Technology, a radar systems provider and weapons system integrator, has expanded their operations in Plano, located on 6900 K Avenue. The company moved its L-3 Unmanned Systems division to the third floor of their building, adding 28,000 square feet and 96 employees.

AREVA Med, a subsidiary of AREVA, was created in 2009 to develop innovative therapies to fight cancer. In November 2014, the company announced plans to build a new production facility in Plano. The company will occupy at least 8,000 square feet of office space at the northeast corner of E. Plano Parkway and Klein Road, and will transfer or create at least 10 jobs by the end of March 2016.

Long-Term Financial Planning

Long-term planning and responsiveness to changing economic conditions are a key factor in maintaining the City's fiscal health. While economic forecasts for Plano and the North Texas region remain favorable, a diminishing supply of undeveloped land and economic uncertainties at both the regional and national level remain factors when planning Plano's financial future. As Plano continues to transition to a mature community, it continues to utilize its Core Business Matrix to ensure expenditures are aligned with the Plano City Council's strategic plan and community goals.

Combined fiscal year 2016 budget appropriations across all of Plano's operating funds equal $496.5 million, which is a $28.8 million or 6.2% increase from the 2015 re-estimated budget. General Fund revenues in fiscal year 2016 are projected at $263.3 million, an increase of $15.6 million from the fiscal year 2015 re-estimated budget. Total appropriation in the General Fund for fiscal year 2016 are set at $279.4 million, which is an increase of $16.0 million from the fiscal year 2015 re-estimated budget.

Capital Reserve funding will be primarily supported by transfers of $23.6 million from the General Fund, $1.5 million from the Water and Sewer Fund, $1.1 million from the Convention & Tourism Fund and $500,000 from the Municipal Drainage Fund. As an established resource for renovating, repairing and replacing existing infrastructure, the Capital Reserve Fund has been a significant factor in maintaining the City's AAA bond ratings.

Of the $79.1 million budgeted for General Obligation capital expenditures in fiscal year 2016, $4.3 million pertains to municipal facilities, $29.1 million for parks and recreation, $39.7 million for street improvements and enhancements and $6.0 million for public infrastructure.

The Equipment Replacement Fund allows the City to minimize budgetary impacts by setting aside resources to purchase equipment and replace existing equipment which has reached the end of its useful life. The fund collects regularly scheduled depreciation charges from city departments with vehicles and capital equipment, and then uses those funds to purchase new equipment on an as needed basis. For fiscal year 2016, the Equipment Replacement Fund's projected revenues total $10.5 million, with depreciation charges totaling $9.8 million being the primary source of revenue. The fund is also expected to collect $508,500 from the auction of City equipment and $175,000 from interest earnings.

In fiscal year 2016 the City anticipates a General Obligation bond sale of $40.0 million, a Water and Sewer Revenue bond sale of $36.4 million and a Municipal Drainage Revenue bond sale of $4.5 million. The General Obligation sale will fund the continued development of Plano's park system, numerous street improvements, renovations and expansions at three recreation facilities, public infrastructure improvements and renovation of Fire Station #1 and the Fire Administration complex. The Water and Sewer and Municipal Drainage revenue bond sales will fund utility infrastructure construction and rehabilitation for their respective utility systems.

On November 1, 2014 billing for water use was increased by 10 percent to help pay for a 10.2 percent increase in fees passed down from the North Texas Municipal Water District (NTMWD), Plano's water supplier. The NTMWD has raised rates 63.8 percent since 2010. The Plano City Council attempted to absorb the additional charges from NTMWD initially, but has since had to raise rates to residents to offset the increases. In continuing effort to minimize the overall effect of the increases, Plano City Council has elected to keep all minimum water and sewer charges static. Beginning November 1, 2015, a varying rate increase in volumetric tiers in both water and sewer rates will appear on bills to cover the additional 11.2 and 13.8 percent increase respectively being passed down from NTMWD.

Relevant Financial Policies

Financial Policies. The City Council Finance Subcommittee developed written policies detailing financial goals and guidelines for the City. These included policies for accounting, budgeting, capital improvements, asset management, revenue management, risk management, investing, cash management and fund balance/reserve levels. The City Council adopted these policies and on a periodic basis, the financial policies are reviewed and updated.

Accounting Procedures and Budgetary Controls. The City's accounting records for governmental funds are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's proprietary funds are maintained on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets; and (3) compliance with all applicable rules, regulations and contractual requirements. The concept of reasonable

assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Recognizing the value of internal control, an internal audit program has been in place since 1988. This program serves to enhance controls to safeguard the City's assets and provide a reasonable assurance of proper recording of financial transactions, which, due to the changing complexity of the organization, require greater attention.

Budgetary control is maintained at the fund level, and encumbrances are entered at the time a purchase order is issued. Open encumbrances are recorded as assignments of fund balance as of September 30 of each year, and the subsequent year's budget is increased to reflect these encumbrances. Unspent and unencumbered appropriations lapse at the end of the fiscal year.

The budgetary process begins each year with the preparation of both current and proposed year revenue estimates by the City's financial management staff and expenditure estimates by each City department. Budgets are reviewed by the Budget Committee which consists of the City Manager, Deputy City Managers, Director of Budget, Director of Finance, Director of Human Resources and Assistant City Managers. The City Manager makes final decisions and submits a recommended budget, or "Program of Service," to the City Council. The proposed budget is reviewed extensively by the City Council, a process that includes a Charter-mandated public hearing, in addition to work sessions which are open to the public. The City Charter requires adoption of the City budget by no later than September 15 of each fiscal year.

While the budget is developed and controlled at the departmental level, appropriations are made at the fund level. An ordinance establishes the budget for operating expenditures, debt service payments, and interfund transfers, while a separate ordinance establishes the property tax rate.

As part of each year's budget development process, departments are required to update expenditure estimates for the current fiscal year. These estimates are reviewed by the Budget Committee and the City Council concurrent with review of the proposed budget. (The "re-estimated" current year budget is used as a working budget for the last half of the current fiscal year.) This re-estimated budget may require a supplemental appropriation and, if so, such supplemental appropriation is approved by ordinance adopted by the City Council prior to the end of the current fiscal year.

During the course of the fiscal year, expenditure controls are maintained by each department head with overall review exercised by the Budget Committee. Monthly departmental expenditure reports are generated by an automated management accounting system and provide expenditure totals and encumbrances at the line-item level for the most recently completed month, as well as a year-to-date total, and an actual versus planned rate of expenditure. Major expenditure requests are reviewed by the Budget and Research Department prior to the encumbrance of funds.

Constant review of revenue and expenditure trends is maintained with specific responsibility assigned to the Director of Budget. Recommendations for corrective action are made to the City Manager (and to the City Council, if appropriate) as needed to ensure the integrity of the adopted budget.

The City's Finance Department publishes a Comprehensive Monthly Finance Report (CMFR) directed at providing internal and external users with a general awareness of the City's financial positions and economic activity. The CMFR includes a Financial Summary section reporting the performances of the major operating funds, an Economic Analysis section summarizing key economic indicators and an in-depth review with graphic illustrations, and an Investment Report section describing investment activity, interest earnings and the City's portfolio. The CMFR is presented quarterly to the City Council.

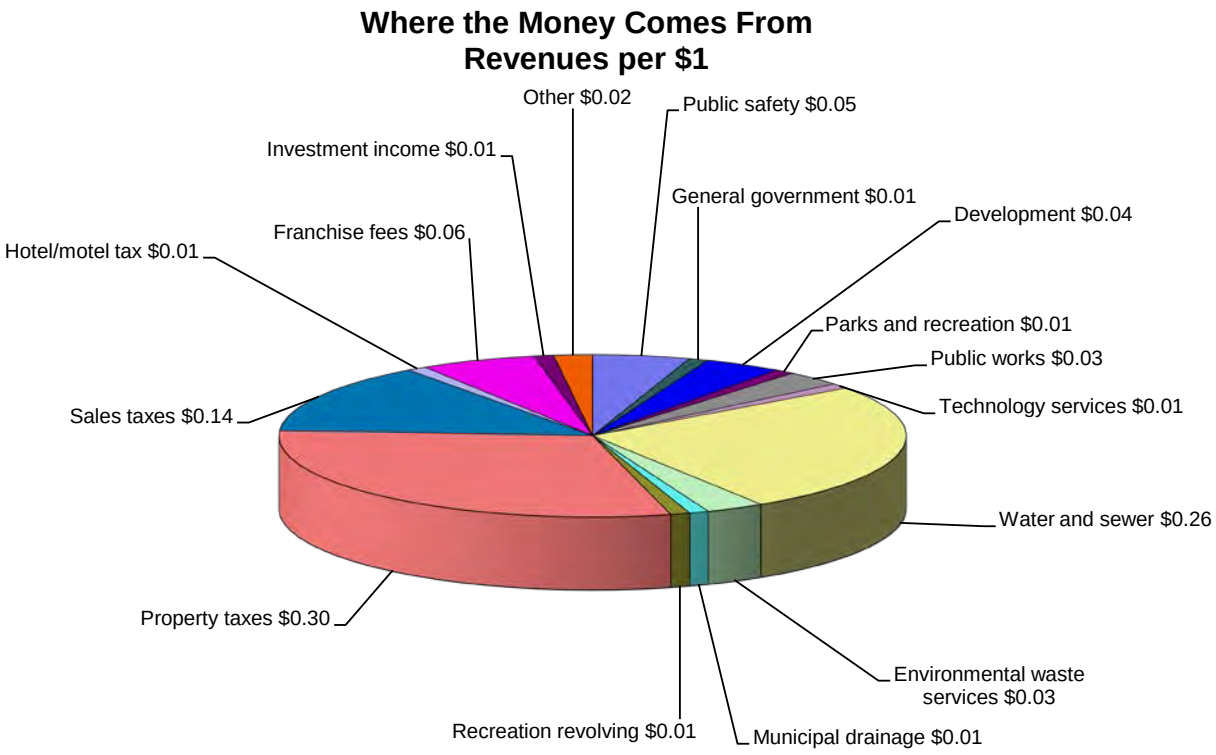
Major Initiatives

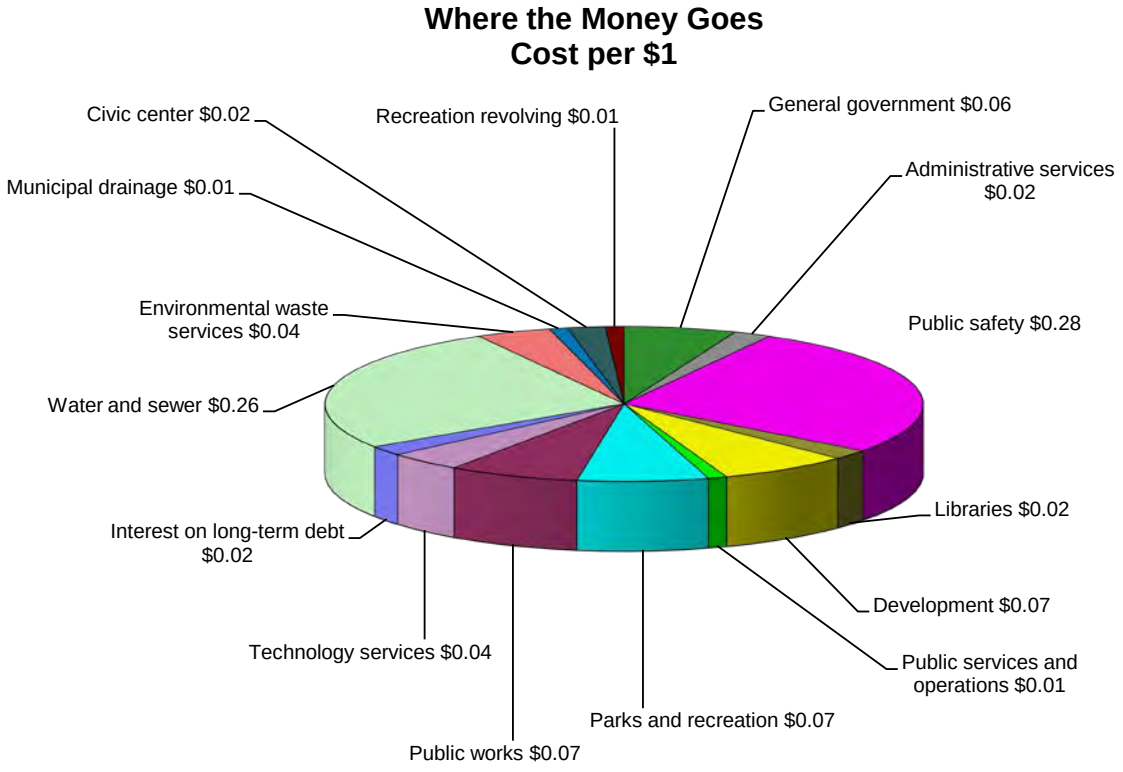
The fiscal year 2015 Community Investment Program (CIP) continued to reflect the City's commitment to enhancing and maintaining its infrastructure. Significant facility projects from the fiscal year 2015 CIP included completion of the Oak Point Nature and Retreat Center, Police Evidence Storage Facility, the second phase of the Technology Services Building renovation and renovations to Fire Stations #4 and #7, initial construction on the Jack Carter Pool renovation, substantial design progress on a number of future city facility projects. Plano's park system saw land acquisitions totaling $3.4 million, as well as significant outlays for improvements to trails, athletic fields and general park improvements. Numerous major street projects were undertaken in FY 2015, most notably a $5.0 million payment to the North Texas Tollway Authority for ramp improvements along Dallas North Tollway, expansion of Windhaven Parkway, renovation of a section of 15th Street, construction of a pedestrian crossing on Park Boulevard over US 75 among other joint venture street projects, roadway construction and reconstruction, intersection improvements, and signal systems improvements. Major water and sewer projects in FY 2015 included substantial renovation of Stadium Pump Station, repainting of elevated storage tanks, and $2.0 million in inflow/infiltration repairs to sewer lines. In addition, nearly $23.4 million was invested through the Capital Reserve Fund in repairs, renovations and rehabilitation projects for City streets, facilities, and park assets with the express intent of extending the useful life of those assets.

Fiscal year 2015 also saw the total replacement of mobile and portable radios for Plano's Police, Fire and Public Works departments. These new units have an expected life of 15 years and allow the current radio system to operate more efficiently while meeting current standards.

The City budgeted $7.2 million for economic development incentives for fiscal year 2016 in order to remain competitive with surrounding neighboring cities. Fiscal year 2015 was the ninth year that two-cents of the property tax rate was dedicated for these incentives. The Economic Development Incentive fund is utilized to attract and retain major business and employees to the City.

The following chart depicts the sources and uses of the City's financial breakout as of fiscal year-end 2015:





Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended September 30, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The City has received a Certificate of Achievement for the last 34 consecutive years (fiscal years ended 1981-2014). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Many persons are responsible for the preparation of this report, and for the maintenance of records upon which it is based. Appreciation is expressed to the City employees throughout the organization, especially those employees of the Accounting Department who were instrumental in the successful completion of this report. Certain individuals worked many extra hours and exhibited extraordinary effort in ensuring the accuracy and timeliness of this report, and their contribution to this effort is greatly appreciated.

Our appreciation is also extended to the Mayor and members of the City Council for providing the resources necessary to maintain the integrity of the City's financial affairs.

Respectfully submitted,

Bruce D. Glasscock
CITY MANAGER

Denise Tacke, CPA
DIRECTOR OF FINANCE

Allison Frilloux
CONTROLLER

Plano
City of Excellence

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

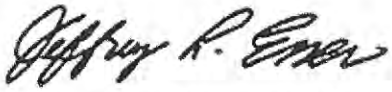
Presented to

City of Plano

Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

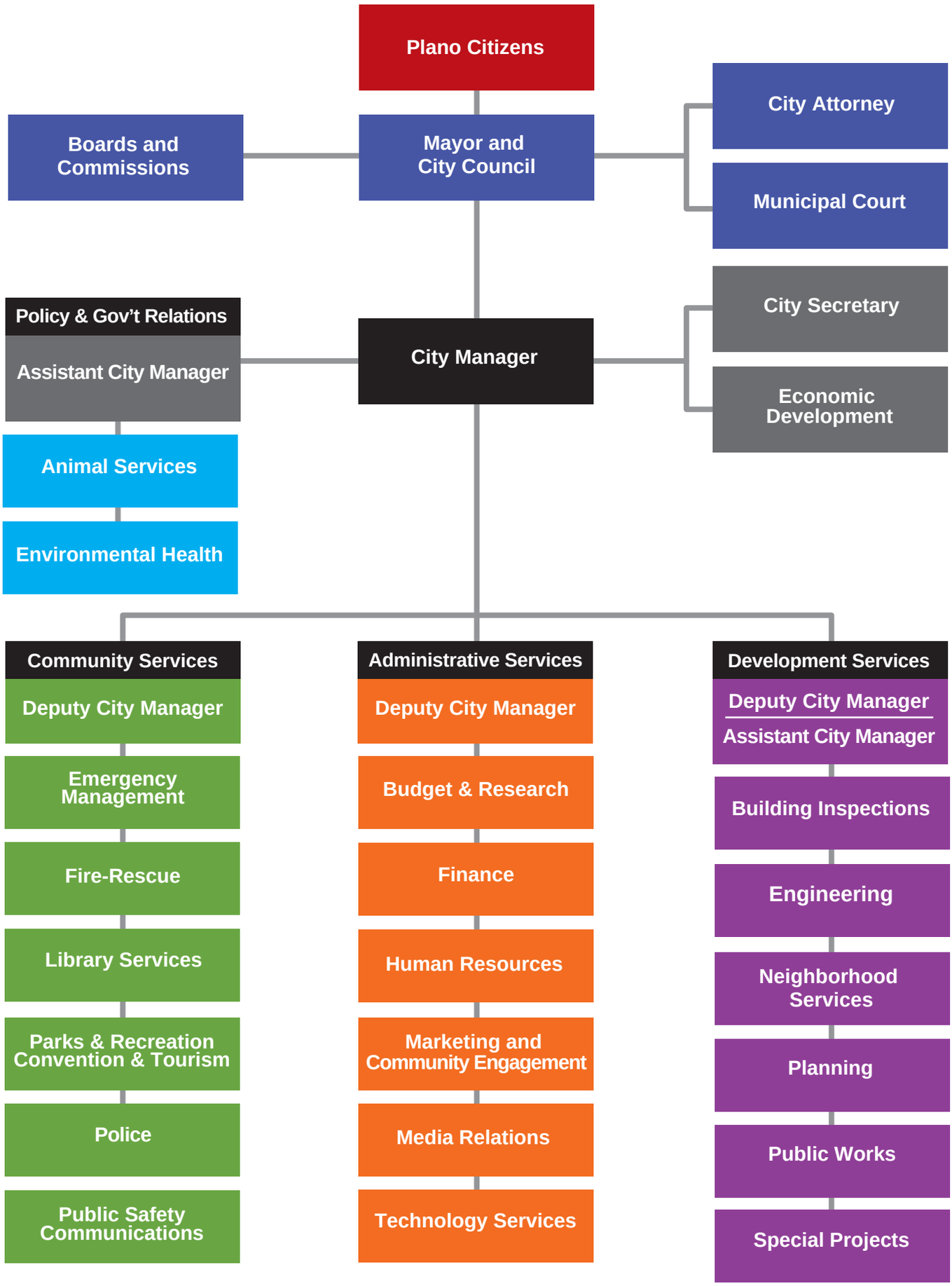
September 30, 2014



Executive Director/CEO

Plano
City of Excellence

CITY OF PLANO
ORGANIZATION CHART



Plano
City of Excellence

CITY OF PLANO, TEXAS

ELECTED OFFICIALS AND ADMINISTRATIVE OFFICERS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

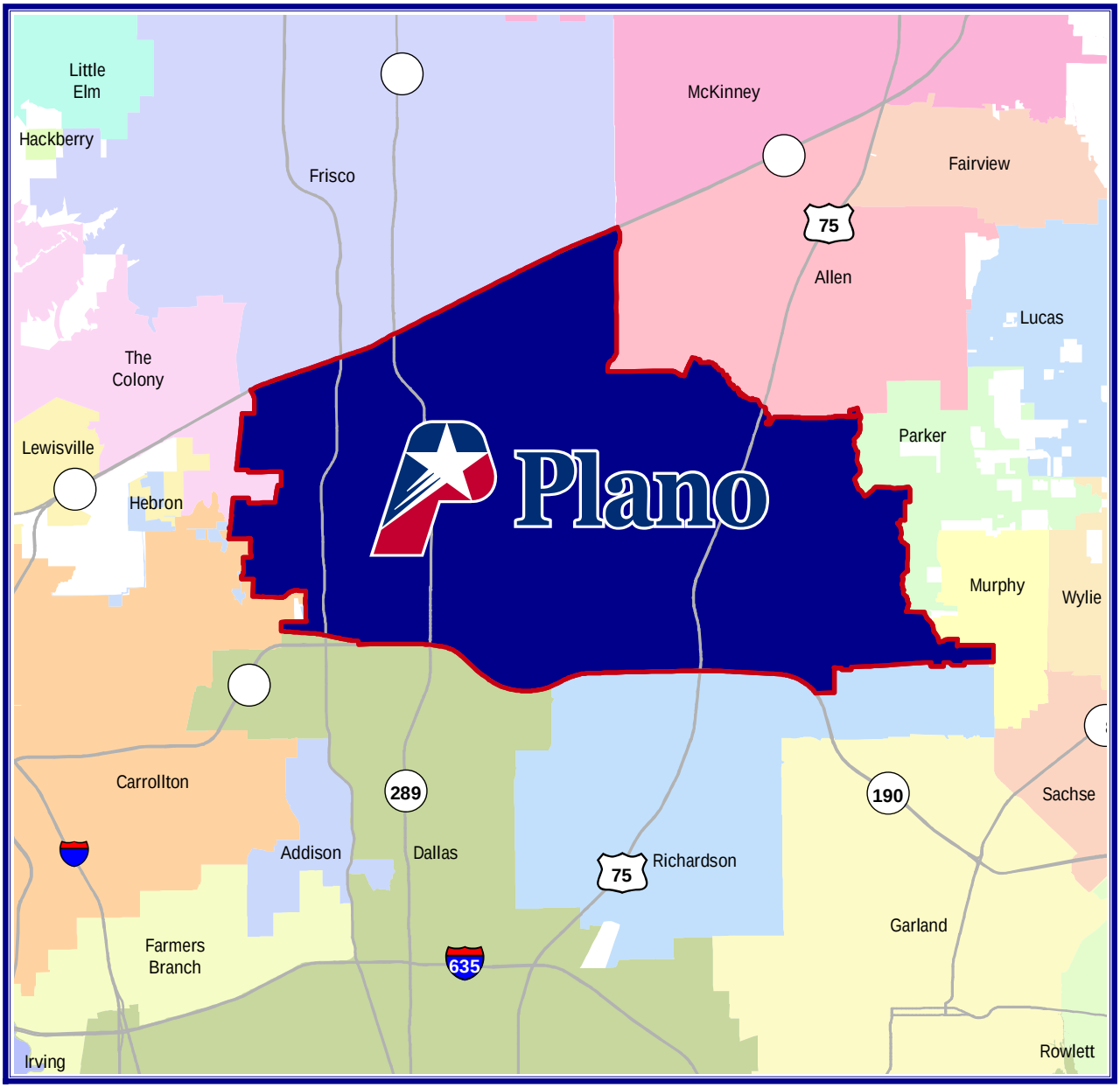
Elected Officials

City Council	Term Expires
Harry LaRosiliere Mayor Place 6	May 2017
Lissa Smith Mayor Pro Tem Place 4	May 2017
Ben Harris Deputy Mayor Pro Tem Place 2	May 2017
Angela Miner Place 1	May 2019
Rick Grady Place 3	May 2019
Ron Kelley Place 5	May 2019
Tom Harrison Place 7	May 2019
David Downs Place 8	May 2017

Administrative Officers

Name	Position
Bruce D. Glasscock	City Manager
Denise Tacke, CPA	Director of Finance
Allison Friloux	Controller

The City of Plano and Surrounding Areas



Plano
City of Excellence

KPMG LLP
Suite 1400
2323 Ross Avenue
Dallas, TX 75201-2709

Independent Auditors' Report

The Honorable Mayor and Members of the City Council
The City of Plano, Texas:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Plano, Texas (the City), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

KPMG LLP is a Delaware limited liability partnership, the U.S. member firm of KPMG International Cooperative ("KPMG International"), a Swiss entity.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Plano, Texas, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in note 2 to the financial statements, effective October 1, 2014 the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB No. 27 and GASB Statement No. 71*, Pension Transition of Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the individual fund budgetary comparison schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

KPMG LLP

Dallas, Texas
January 13, 2016

CITY OF PLANO, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2015

Our discussion and analysis of the City's financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended September 30, 2015. Please read it in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by $1.4 billion (net position). Of this amount, $1.1 billion (77.4 percent) is net investment in capital assets. The amount of net position restricted for a specific purpose is $49.8 million (3.5 percent). The remaining $268.2 million (19.1 percent) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.

- The City's total net position increased by $67.9 million. Property tax revenues are higher over prior year by $10.8 million as a result of higher assessed property values in the current year. For fiscal year 2016, the total appraised value will include an increase in new property coming on-line of $536 million while existing property values are expected to increase by $1.9 billion. Sales tax revenues increased over prior year by $1.9 million as a result of greater business-to-business sales. Hotel/Motel tax revenues are higher over prior year by $1.4 million primarily due to the addition of new hotels in the current year resulting in higher occupancy rates. Water and sewer service charges are higher over prior year by $17.5 million primarily attributable to less stringent water restrictions in the current year as well as a change in rate structure. Development charges for services increased over prior year by $3.7 million due to an increase in single family residence permits and residential remodel permits. Additionally, GASB Statement No. 68 was implemented in fiscal year 2015 which records net pension assets and/or liabilities, deferred outflows and inflows of resources, as well as pension expense and contributions.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $272.3 million, an increase of $12.7 million in comparison with the prior year. Within this total, $83.5 million (30.6 percent) is restricted by specific legal requirements and $142.8 million (52.4 percent) has been committed and assigned to specific types of expenditures. Unassigned fund balance is $45.3 million (16.6 percent) and can be used for any lawful purpose. The remaining $707 thousand (0.3 percent) is nonspendable.

- The City's total debt increased by $1.8 million primarily because of a larger general obligation and refunding bond issuance in the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business. The Statement of Net Position presents information on all of the City's assets, deferred outflows, liabilities and deferred inflows with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The Statement of Net Position combines and

consolidates governmental and business-type funds current financial resources (short-term spendable resources) with capital assets and long-term obligations. In order to assess the overall health or financial condition of the City, other non-financial factors should also be taken into consideration. These include changes in the City's property tax base and the condition of the City's infrastructure (i.e. roads, drainage improvements, storm and sewer lines, etc.).

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but not used vacation leave).

In the Statement of Net Position and the Statement of Activities, the City is divided into three types of activities:

- Governmental activities – Most of the City's basic services are reported here, including police, fire, libraries, development, public services and operations, parks and recreation, public works, technology services and general administration. Property taxes, sales taxes and franchise fees finance most of these activities.

- Business-type activities – The City charges a fee to customers in order to cover all or most of the cost of certain services the City provides. The City's water and sewer system, environmental waste system, municipal drainage system, civic center, municipal golf course, recreation revolving activities and downtown center development activities are reported as business-type activities.

- Component unit – The City includes one separate legal entity in its report – Tax Increment Financing District (TIF) East Side. Although legally separate, the City is financially accountable for the TIF.

The government-wide financial statements can be found on pages 16-18 of this report.

Fund Financial Statements

A fund is a self-balancing set of accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

  Because the focus of governmental funds is narrower than that of the government-wide statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

  The City maintains twenty individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, capital reserve fund, street improvements fund, and economic development fund, all of which are considered to be major funds.

Data from the other fifteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental funds financial statements can be found on pages 19-24.

- **Proprietary funds**. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations, environmental waste services, municipal drainage, Plano Centre, golf course, recreation centers, and downtown development. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for its fleet services, risk management, employee health and disability programs, municipal warehouse and its information systems. Because these services predominately benefit government rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

  Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City maintains seven individual enterprise funds. The proprietary fund financial statements provide separate information for the water and sewer, environmental waste services and municipal drainage functions, as they are considered major funds. Data from the remaining four enterprise funds are combined into a single, aggregated presentation. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

  The basic proprietary fund financial statements can be found on pages 25-31 of this report.

- **Fiduciary funds**. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

  The basic fiduciary fund financial statements can be found on pages 32 and 33 of this report.

- **Notes to the financial statements**. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

  The notes to the financial statements can be found on pages 34-72 of this report.

- **Other information**. In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and health benefits to its employees and retirees.

  The required supplementary information can be found on pages 73-79 of this report.

  The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise and internal service funds can be found on pages 80-110 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's combined net position was $1.4 billion as of September 30, 2015. This analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

By far the largest portion of the City's net position (77.4 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

Table 1
Net Position
(In Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Current and other assets	$ 400	$ 378	$ 115	$ 110	$ 515	$ 488
Capital assets	991	954	386	376	1,377	1,330
Total assets	1,391	1,332	501	486	1,892	1,818
Deferred outflows	33	6	4	-	37	6
Noncurrent liabilities	448	364	30	22	478	386
Other liabilities	32	31	14	12	46	43
Total liabilities	480	395	44	34	524	429
Net position:						
Invested in capital assets, net of related debt	717	696	370	361	1,087	1,057
Restricted	47	32	3	2	50	34
Unrestricted	180	215	88	89	268	304
Total net position	$ 944	$ 943	$ 461	$ 452	$ 1,405	$ 1,395

An additional portion of the City's net position (3.5 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (19.1 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true to the prior fiscal year.

The City's net position increased by $67.9 million during the current fiscal year. Property tax revenues are higher over prior year by $10.8 million as a result of higher assessed property values in the current year. For fiscal year 2016, the total appraised value will include an increase in new property coming on-line of $536 million while existing property values are expected to increase by $1.9 billion. Sales tax revenues increased over prior year by $1.9 million as a result of greater business-to-business sales. Hotel/Motel tax revenues are higher over

prior year by $1.4 million primarily due to the addition of new hotels in the current year resulting in higher occupancy rates. Water and sewer service charges are higher over prior year by $ 17.5 million as a result of increased consumption primarily attributable to less stringent water restrictions in the current year as well as a change in rate structure. Development charges for services increased over prior year by $3.7 million due to an increase in single family residence permits and residential remodel permits. Additionally, GASB Statement No. 68 was implemented in fiscal year 2015 which records net pension assets and/or liabilities, deferred outflows and inflows of resources, as well as pension expense and contributions.

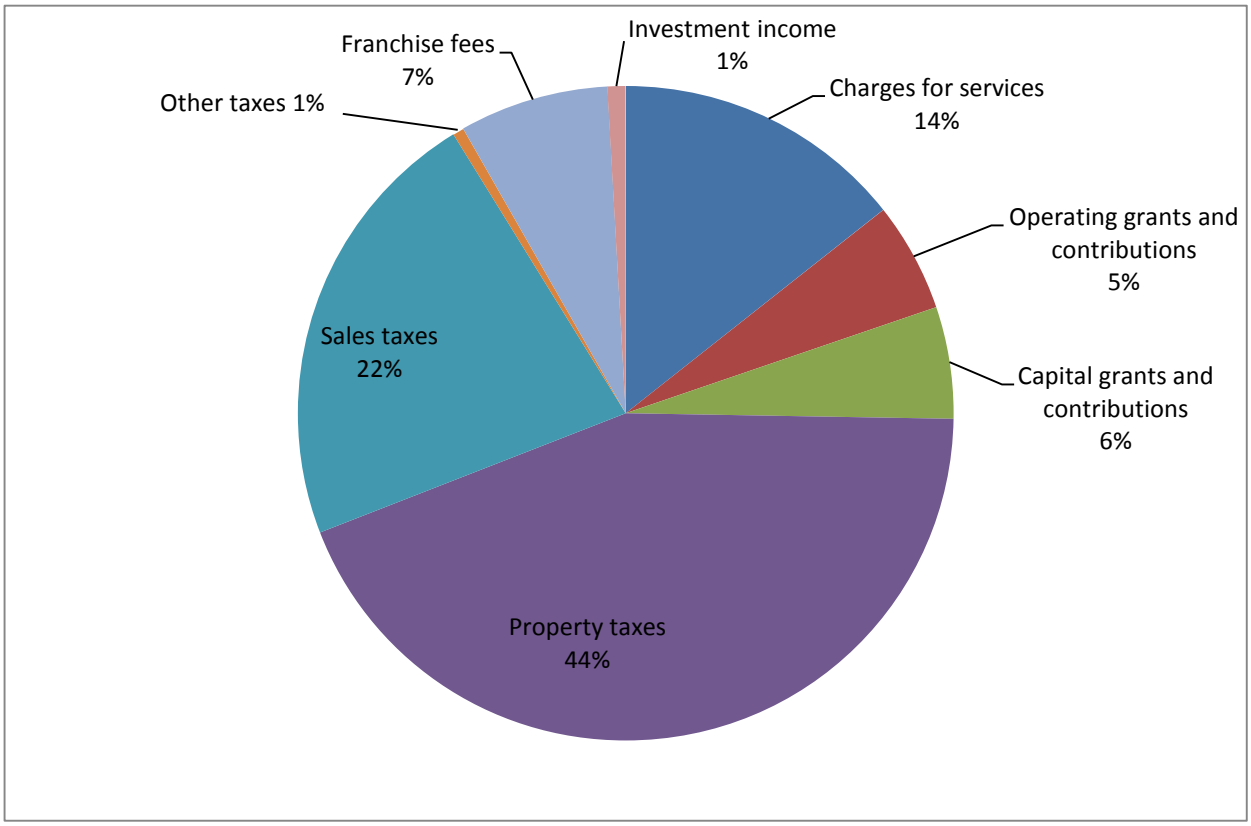
Governmental Activities

Governmental activities increased the City's net position by $53.3 million, thereby accounting for 78.4 percent of the total growth in net position of the City. Key elements of this increase are as follows (Table 2):

Table 2
Change in Net Position
(in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	$ 49,475	$ 43,562	$ 162,352	$ 144,663	$ 211,827	$ 188,225
Operating grants and contributions	18,587	15,264	61	-	18,648	15,264
Capital grants and contributions	19,044	11,543	5,548	3,463	24,592	15,006
General revenues:						
Property taxes	150,961	140,181	-	-	150,961	140,181
Sales taxes	76,326	74,469	-	-	76,326	74,469
Other taxes	1,893	1,824	7,343	5,985	9,236	7,809
Franchise fees	25,341	24,332	7,958	7,570	33,299	31,902
Investment income	3,096	1,397	544	450	3,640	1,847
Total revenues	344,723	312,572	183,806	162,131	528,529	474,703
Expenses:						
General government	27,637	22,837	-	-	27,637	22,837
Administrative services	9,556	9,004	-	-	9,556	9,004
Police	74,607	73,546	-	-	74,607	73,546
Fire	51,268	50,823	-	-	51,268	50,823
Libraries	10,647	11,153	-	-	10,647	11,153
Development	33,116	35,304	-	-	33,116	35,304
Public services and operations	6,576	7,350	-	-	6,576	7,350
Parks and recreation	30,934	32,445	-	-	30,934	32,445
Public works	30,532	29,654	-	-	30,532	29,654
Technology services	18,194	17,036	-	-	18,194	17,036
Interest on long-term debt	8,887	11,455	-	-	8,887	11,455
Water and sewer	-	-	117,748	113,528	117,748	113,528
Environmental waste services	-	-	22,044	22,665	22,044	22,665
Municipal drainage	-	-	4,614	4,576	4,614	4,576
Civic center	-	-	9,093	6,547	9,093	6,547
Municipal golf course	-	-	1,789	1,018	1,789	1,018
Recreation revolving	-	-	3,350	3,215	3,350	3,215
Downtown center development	-	-	11	29	11	29
Total expenses	301,954	300,607	158,649	151,578	460,603	452,185
Increase in net position before transfers	42,769	11,965	25,157	10,553	67,926	22,518
Transfers	10,492	11,898	(10,492)	(11,898)	-	-
Increase (decrease) in net position	53,261	23,863	14,665	(1,345)	67,926	22,518
Net position – October 1	-	918,901	-	453,912	-	1,372,813
Net position – as adjusted (Footnote C)	890,611	-	446,261	-	1,336,872	-
Net position – September 30	$ 943,872	$ 942,764	$ 460,926	$ 452,567	$ 1,404,798	$ 1,395,331

Revenues by Source – Governmental Activities



Program revenues were $87.1 million, compared to $70.4 million in fiscal year 2014. The breakdown of the increase is as follows:

- Charges for services for governmental activities increased $5.9 million. Development charges for services increased over prior year by $3.7 million due to an increase in single family residence permits and residential remodel permits.

- Operating grants and contributions increased $3.3 million primarily due to receipt of federal funding related to criminal investigation activity of $3.8 million.

- Capital grants increased $7.5 million primarily due to increased developers' contributions as well as external agencies related to streets projects, as well as a larger volume of street projects funded through grant receipts.

General revenues increased from $242.2 million in fiscal year 2014 to $257.6 million in fiscal year 2015. Property tax revenues increased by $10.8 million due to an increase in assessed valuations. For fiscal year 2016, the total appraised value will include an increase in new property coming on-line of $536 million while existing property values are expected to increase by $1.9 billion. Sales tax revenues increased over prior year by $1.9 million as a result of greater business-to-business sales. Investment income increased $1.7 million as a result of higher market adjustments in fiscal year 2015.

Overall, governmental activities expenses were $302.0 million, an increase of $1.3 million over the prior year which is the result of increased rollback taxes of $1.1 million

Business-Type Activities

Revenues of the City's business-type activities were $183.8 million for the fiscal year ended September 30, 2015. Revenues increased approximately $21.7 million or 13.4 percent as compared to the prior fiscal year. Expenses for the City's business-type activities increased $7.1 million or 4.7 percent. The increase in net revenues is the result of several factors, including the following:

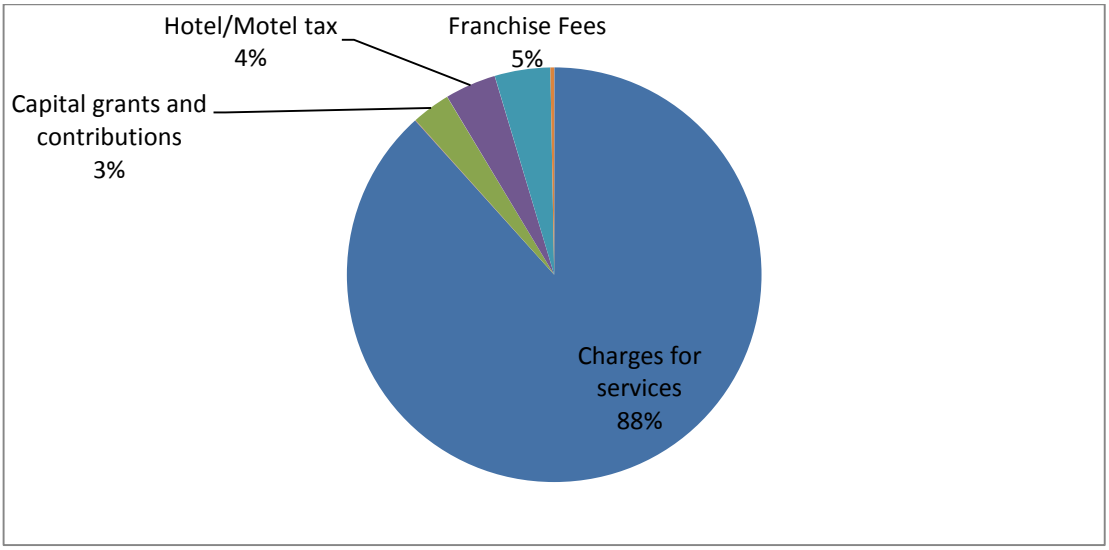
- The City's water and sewer system recorded charges for services of $132.1 million, an increase of $17.5 million or 15.3 percent from the prior year primarily attributable to less stringent water restrictions in the current year as well as a change in rate structure. Additionally, developers' contributions were $2.1 million higher in the current fiscal year.

- The City's environmental waste services activities operated with program expenses exceeding program revenues by $5.8 million compared to $6.5 million in fiscal year 2014. The City's percentage of contractual payments to North Texas Municipal Water District (NTMWD) increased $968 thousand over the prior year. Payment is based on allocation of tonnage between member cities. Franchise fee revenue increased $387 thousand due to an increase in collection fees and disposal volumes.

- The City's municipal drainage activity operated with charges for services exceeding expenses by $2.6 million, compared to $2.8 million in the prior year. The municipal drainage system recorded charges for services of $7.2 million, a decrease of $237 thousand due to a rate decrease in November 2014.

- The City's Plano Centre activity operated with expenses exceeding charges for services by $6.9 million as compared to $4.8 million in the prior fiscal year. Charges for services are reported at $2.2 million, an increase of $487 thousand due to a large event held in the current year and client shift in ordering additional concessions and catering services.

Revenues by Source – Business-Type Activities

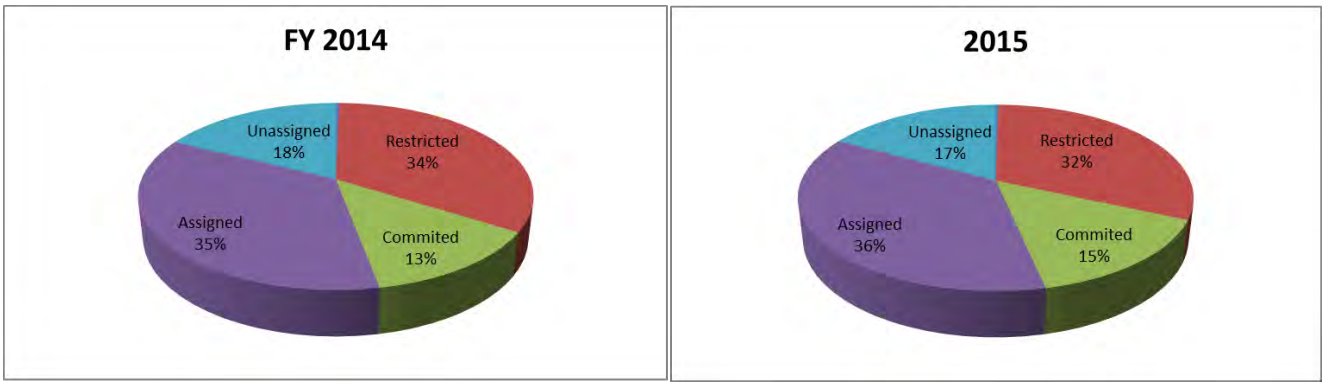


Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unrestricted fund balances (unassigned, assigned, and committed) may serve as a useful measure of a government's net resources available for spending in the next fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $272.3 million. Within this total $83.5 million is restricted by specific legal requirements, such as by debt covenants, and $142.8 million has been committed and assigned to specific types of expenditures. Unassigned fund balance is $45.3 million and can be used for any lawful purpose. The remaining $707 thousand is nonspendable.



The general fund is the chief operating fund of the City. The fund balance of the City's general fund increased by $279 thousand during the current fiscal year. Key factors in this increase are as follows:

- Expenditures increased $11.2 million primarily due to a 3% across the board pay increase for non-civil and civil service employees, as well as the addition of 54 positions. Additionally, rollback taxes increased $1.1 million over the prior fiscal year.
- The increases to expenditures are offset by increased revenue related to higher property and sales tax revenues of $10.3 million and $2.9 million, respectively. These increases are related to higher property valuations and increased business-to-business sales.

The debt service fund has a total fund balance of $3.7 million, all of which is restricted for the payment of debt service. The debt service fund increased by $361 thousand primarily because of the City's refunding of general obligation debt.

The capital reserve fund balance of $52.2 million is assigned for replacement and renewals of the City's infrastructure. The capital reserve fund balance increased $3.2 million from the prior year as the result of increased transfers from the general fund of $4.0 million.

The street improvements fund balance of $35.9 million is divided between restricted for street improvements ($13.3 million), assigned to encumbrances ($22.5 million) and nonspendable ($60 thousand). The street improvements fund balance decreased $4.9 million primarily due to increased capital outlay expenditures of $6.7 million for various streets projects.

The economic development incentive fund balance of $41.2 million increased over prior year by $7.1 million as a result of a decrease in expenditures over last fiscal year of $1.9 million. Although fund balance increased compared to last year, contributions from the general fund decreased $3.8 million.

Proprietary Funds – The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

- The City's Water and Sewer fund net position of $407.3 million increased by $10.8 million over the prior year. In the current fiscal year, total operating revenues increased by $17.5 million primarily attributable to less stringent water restrictions in the current year as well as a change in rate structure.

- The City's Environmental Waste Services fund net position of $3.4 million increased by $844 thousand over the prior year primarily due to an increase in franchise fee r evenue and an increase in landfill services expense. Franchise fee revenues increased as a result of higher collection fees and disposal volumes.

- The City's Municipal Drainage fund net position increased over the prior year by $1.5 million. Although drainage rates decreased in November 2014, revenues were reported at $7.2 million with operating expenses and transfers out of $5.0 million.

General Fund Budgetary Highlights

During the current year, the actual on a budgetary basis expenditures were $237.6 million compared to the re-estimated final budget amount of $240.6 million. Actual expenditures on a budgetary basis were $2.6 million lower than the original budget implemented for fiscal year 2015 and $3.0 million lower as compared to the re-estimate final. Decreases were due to continued prudent spending by the various departments, as well as salary savings from the original budget.

For fiscal year 2015, the actual on a budgetary basis revenues were $244.4 million as compared to the re-estimated final budget amount and original budget amount of $239.2 million and $231.0 million, respectively. The primary reason for the increase in actual revenue compared to the re-estimated budget is related to a $4.2 million increase in sales tax revenue as a result of the slight improvement in the local economy. The City Council has capped the amount that can be budgeted for sales tax revenue based upon a rolling three-year average, which is $72.7 million.

The City has an actual on budgetary basis general fund balance of $46.7 million as of the fiscal year-end, compared to the re-estimated budget fund balance and original budget fund balance of $35.8 million and $31.0 million, respectively. The variance in fund balance is primarily due to the aforementioned variance in sales tax and continued prudent spending by the departments.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year 2015, the City had $1.4 billion invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, and water and sewer lines (Table 3). This amount represents a net increase (including additions and deductions) of $46.9 million over the prior fiscal year.

Table 3
Capital Assets at Year-end
(Net of Depreciation, in Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	$ 138,798	$135,281	$ 6,478	$ 6,472	$ 145,276	$ 141,753
Buildings and improvements	197,039	188,441	325,074	332,278	522,113	520,719
Equipment	50,960	47,176	694	891	51,654	48,067
Construction in progress	49,986	31,385	23,530	5,353	73,516	36,738
Public art	1,699	1,699	-	-	1,699	1,699
Infrastructure	552,855	550,567	-	-	552,855	550,567
Drainage improvements	-	-	30,039	30,748	30,039	30,748
Totals	$ 991,337	$954,549	$ 385,815	$375,742	$1,377,152	$1,330,291

This year's major capital outlay additions for governmental capital projects included (in millions):

Park development and improvements	$ 9.9
Recreational trail connections development	2.1
Athletic field renovations	2.9
Reconstruction of existing street pavement and sidewalks at various locations	3.7
Various intersection improvements	14.0
Residential street and alley repairs	2.5
Repair screening walls	1.2
Arterial concrete repair	4.3
Arterial joint sealing program	1.7
Rehabiliatation of stadium pump station	8.6
Infiltration and inflow repairs	2.0
Creek erosion improvements	1.0
Repaint elevated storage tanks	1.1
Municipal center renovations	1.5
Evidence storage facility	2.4
Radio replacement	7.1
	$ 66.0

The City's fiscal year 2016 general obligation capital budget includes $79.1 million for capital projects, principally for four major categories: street improvements and enhancements, parks and recreation, municipal facilities and public infrastructure improvements. An additional $40 million in general obligation bond proceeds will be required to support the entire 2014-2015 general obligation capital investment program.

Street Improvements and Enhancements. The City plans to spend $39.7 million on street improvements and enhancements including $3.0 million for Headquarters at Communications intersection reconfiguration, $2.6 million for intersection improvements at Plano Parkway and Los Rios Boulevard, $2.3 million for Park Boulevard corridor improvements, $2.0 million for Split Trail improvements, $2.0 million for construction at Windhaven at the city limit to Spring Creek, $2.0 million for bridge inspections and repairs and $11.8 million for construction of corridor improvements along major thoroughfares. The remaining funds for street improvements are for a variety of projects.

Parks and Recreation. Estimated expenditures for parks and recreation facilities are $29.1 million including $5.9 million for the addition of a pool at Carpenter Recreation Center, $4.0 million for renovation of Jack Carter Pool, $4.0 million for Oak Point Park and Nature Preserve improvements, $4.0 million for various park improvements, $3.2 million for maintenance of the Enfield Park facility, and $3.0 million for various recreational trail improvements. The remaining funds for park improvements are for a variety of projects.

Municipal Facilities. Estimated expenditures for municipal facilities are $4.2 million including $3.5 million for fire station and fire administration renovations.

Public Infrastructure Improvement. Estimated expenditures of $6.0 million to improve publicly owned infrastructure that serves commercial areas, such as streets, utilities and open spaces, in coordination with private development and reinvestment in commercial properties. Funds are intended to improve older areas of Plano by enhancing existing infrastructure so further economic development becomes attractive to private firms and investors.

More detailed information about the City's capital asset activity is presented in Note 4 to the financial statements.

Debt

At year-end, the City had $339.2 million in bonds and tax anticipation notes outstanding as compared to $337.4 million at the end of the prior fiscal year, an increase of 0.5 percent – as shown in Table 4.

Table 4
Outstanding Debt, at Year-end
(in Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
General obligation bonds and tax anticipation notes (backed by the City)	$322,852	$319,362	$ -	$ -	$322,852	$ 319,362
Revenue bonds (backed by fee revenues)	-	-	16,368	18,016	16,368	18,016
Totals	$322,852	$319,362	$ 16,368	$ 18,016	$339,220	$ 337,378

During the current fiscal year, the City issued $30.1 million in new general obligation bonds and tax anticipation notes and refunded $51.3 million of general obligation debt. Additionally, the City refunded $7.1 million in municipal drainage revenue bonds in fiscal year 2015.

The City's general obligation bonds and tax notes continue to carry an "AAA" rating, the highest rating possible. This rating has been assigned to the City's tax-supported debt since February 2000, by Moody's Investor Service, Standard & Poor's and Fitch, Inc. The City's drainage revenue bonds carry Aa2 and AAA ratings, as assigned by two of the national rating agencies. The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt.

The City maintains a self-insurance program for general liability, public officials' errors and omission, police professional liability, property loss and workers' compensation. The City has claims and judgments of $5.9 million outstanding at year-end compared with $6.5 million at the end of the prior fiscal year. Claims and judgements of $3.8 million relate to property/liability losses while $2.1 million relate to health claims which are $511 thousand lower than prior year. Other obligations include accrued vacation pay and sick leave. More detailed information about the City's long-term liabilities is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEARS BUDGETS AND RATES

In addition to the economy, the City's elected and appointed officials addressed a variety of factors, departmental requests and public input when setting the budget and tax rates for fiscal year 2016. The focus of the 2016 budget is to address increased service demands from citizens, revitalize city infrastructure, and utilize revenues provided by increased property values and sales tax receipts to enhance public safety programs, reinvest in residential neighborhoods and address a backlog in major capital projects from the economic downturn.

The largest single revenue source in the fiscal year 2016 General Fund Budget is property taxes, which account for 42.0% of total revenues. Assessed property values in Plano increased 8.5% from the prior year, including $536 million in new property entering the tax roll for the first time. Sales tax revenue remains the City's second largest revenue source, making up 27.6% of General Fund revenues.

Water expenditure projections are up primarily due to increased water and wastewater treatment increases from North Texas Municipal Water District (NTMWD). The significant increase in the water rate is to pay for debt service associated with capital improvements associated with aging infrastructure related to NTMWD's water treatment operations, as well as establishing future water supplies to meet the growing regional demand. As a result of increased expenses for NTMWD, budgeted water rates will be evaluated and increased accordingly.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Controller's Office, at City of Plano, 1520 Avenue K, Suite 370, Plano, Texas 75074.

CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	$ 76,548,910	$ 15,444,745	$ 91,993,655	$ 2,044,560
Investments	278,238,508	53,660,850	331,899,358	7,571,742
Receivables (net of allowance for uncollectibles)	20,861,511	23,552,706	44,414,217	-
Internal balances	(13,330,947)	13,330,947	-	-
Due from other governments	4,476,119	-	4,476,119	-
Inventories	1,166,006	33,007	1,199,013	-
Prepaids and other assets	22,003,034	831,034	22,834,068	-
Restricted assets:				
Cash and cash equivalents	-	1,623,018	1,623,018	-
Investments	-	5,972,583	5,972,583	-
Receivables	-	42,411	42,411	-
Net pension asset	9,323,295	1,148,788	10,472,083	-
Capital assets:				
Nondepreciable	190,483,470	30,008,653	220,492,123	2,921,432
Depreciable (net)	800,853,593	355,806,444	1,156,660,037	-
Total assets	1,390,623,499	501,455,186	1,892,078,685	12,537,734
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows from pensions	25,601,886	3,154,586	28,756,472	-
Deferred charges on refunding	7,499,030	493,969	7,992,999	-
	33,100,916	3,648,555	36,749,471	-
LIABILITIES				
Accounts payable	5,351,909	6,490,312	11,842,221	16,700
Accrued liabilities	7,311,432	2,222,246	9,533,678	-
Accrued interest payable	1,062,847	198,464	1,261,311	-
Contracts payable	6,699,145	779,984	7,479,129	-
Customer deposits	-	2,758,314	2,758,314	-
Unearned revenue	7,149,411	799,136	7,948,547	-
Due to other governments	1,887,732	-	1,887,732	-
Retainage payable	2,411,703	911,305	3,323,008	-
Seized assets payable	67,044	-	67,044	-
Noncurrent liabilities				
Due within one year:				
Compensated absences	5,420,489	495,923	5,916,412	-
Bonds and notes payable	31,908,082	2,087,716	33,995,798	-
Liability for insurance claims	5,358,078	-	5,358,078	-
Due in more than one year:				
Compensated absences	34,441,809	3,388,159	37,829,968	-
Bonds and notes payable	290,944,189	14,279,894	305,224,083	-
Net pension liability	79,167,589	9,754,784	88,922,373	-
Liability for insurance claims	581,513	-	581,513	-
Total liabilities	479,762,972	44,166,237	523,929,209	16,700
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows from pensions	89,621	11,043	100,664	-
NET POSITION				
Net investment in capital assets	716,648,113	370,220,021	1,086,868,134	2,921,432
Restricted for:				
Capital projects, special revenue and component unit	43,763,440	-	43,763,440	9,599,602
Debt service	3,701,797	2,377,534	6,079,331	-
Unrestricted	179,758,472	88,328,906	268,087,378	-
Total net position	$ 943,871,822	$ 460,926,461	$ 1,404,798,283	$ 12,521,034

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Function/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	$ 27,636,869	$ 6,551,280	$ 529,557	$ -
Administrative services	9,555,715	21,428	-	-
Police	74,607,299	17,361,393	5,637,733	151,423
Fire	51,268,423	5,496,159	72,133	-
Libraries	10,646,832	339,198	171,930	-
Development	33,116,211	10,206,808	11,387,927	-
Public services and operations	6,575,756	1,494,484	273,826	-
Parks and recreation	30,933,825	4,668,090	369,879	1,696,964
Public works	30,531,725	39,452	143,491	17,195,069
Technology services	18,193,965	3,297,065	-	-
Interest on long-term debt	8,887,609	-	-	-
Total governmental activities	301,954,229	49,475,357	18,586,476	19,043,456
Business-type Activities:				
Water and sewer	117,747,963	132,067,317	-	5,548,273
Environmental waste services	22,043,523	16,168,862	60,980	-
Municipal drainage	4,613,572	7,163,876	-	-
Plano centre	9,093,255	2,214,354	-	-
Municipal golf course	1,789,341	954,645	-	-
Recreation revolving	3,349,987	3,635,336	-	-
Downtown center development	11,726	147,789	-	-
Total business-type activities	158,649,367	162,352,179	60,980	5,548,273
Total primary government	$ 460,603,596	$ 211,827,536	$ 18,647,456	$ 24,591,729
Component unit:				
TIF East Side	$ 1,908,837	$ -	$ -	$ -

General revenues:
- Property taxes
- Sales taxes
- Mixed drink taxes
- Hotel/Motel tax
- Other taxes
- Franchise fees based upon gross receipts
- Investment income

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning as adjusted (see Footnote C)

Net position - ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
$ (20,556,032)		$ (20,556,032)	
(9,534,287)		(9,534,287)	
(51,456,750)		(51,456,750)	
(45,700,131)		(45,700,131)	
(10,135,704)		(10,135,704)	
(11,521,476)		(11,521,476)	
(4,807,446)		(4,807,446)	
(24,198,892)		(24,198,892)	
(13,153,713)		(13,153,713)	
(14,896,900)		(14,896,900)	
(8,887,609)		(8,887,609)	
(214,848,940)		(214,848,940)	
	$ 19,867,627	19,867,627	
	(5,813,681)	(5,813,681)	
	2,550,304	2,550,304	
	(6,878,901)	(6,878,901)	
	(834,696)	(834,696)	
	285,349	285,349	
	136,063	136,063	
	9,312,065	9,312,065	
(214,848,940)	9,312,065	(205,536,875)	
			(1,908,837)
150,960,855	-	150,960,855	4,435,491
76,326,156	-	76,326,156	-
1,761,817	-	1,761,817	-
-	7,342,639	7,342,639	-
131,642	-	131,642	-
25,341,454	7,957,587	33,299,041	-
3,096,190	544,194	3,640,384	-
10,491,502	(10,491,502)	-	-
268,109,616	5,352,918	273,462,534	4,435,491
53,260,676	14,664,983	67,925,659	2,526,654
890,611,146	446,261,478	1,336,872,624	9,994,380
$ 943,871,822	$ 460,926,461	$ 1,404,798,283	$ 12,521,034

CITY OF PLANO, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2015

	General	Debt Service	Capital Reserve	Street Improvements
ASSETS				
Cash and cash equivalents	$ 11,575,757	$ 786,007	$ 11,350,865	$ 9,346,288
Investments	42,509,720	2,892,448	41,770,354	34,393,660
Receivables (net of allowance for uncollectibles)				
Taxes	13,520,803	636,402	-	-
Accounts	1,651,702	-	915,633	30,153
Accrued interest	270,683	18,418	265,975	219,003
Assessments	-	-	-	1,366,121
Other	-	-	-	-
Due from other funds	440,013	-	-	-
Due from other governments	12,412	-	-	3,060,167
Inventories	262,870	-	-	-
Prepaid items and other assets	243,706	-	-	60,480
Total assets	70,487,666	4,333,275	54,302,827	48,475,872
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	2,740,187	267	-	-
Accrued liabilities	7,072,726	-	-	-
Contracts payable	-	-	1,670,679	2,977,907
Unearned revenue	1,103,363	-	-	6,463,005
Due to other funds	137,174	-	-	-
Due to other governments	211,599	-	-	-
Retainage payable	-	-	415,138	853,407
Seized assets payable	-	-	-	-
Total liabilities	11,265,049	267	2,085,817	10,294,319
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	7,618,601	631,211	-	2,258,012
Fund Balance:				
Nonspendable:				
Prepaid items and inventories	506,576	-	-	60,480
Restricted for:				
Debt service	-	3,701,797	-	-
Street improvements	-	-	-	13,320,625
Other capital projects	-	-	-	-
Special revenue	-	-	-	-
Blended component unit	-	-	-	-
Committed to:				
Economic development incentive	-	-	-	-
Assigned to:				
General government	993,360	-	-	-
Administrative services	113,147	-	-	-
Police	152,358	-	-	-
Fire	276,126	-	-	-
Libraries	809,138	-	-	-
Development	1,534,826	-	-	-
Public services and operations	76,004	-	-	-
Parks and recreation	789,353	-	-	-
Public works	199,900	-	-	-
Capital reserve	-	-	52,217,010	-
Street improvements	-	-	-	22,542,436
Other capital projects	-	-	-	-
Other purposes	364,306	-	-	-
Unassigned	45,788,922	-	-	-
Total fund balance	51,604,016	3,701,797	52,217,010	35,923,541
Total liabilities, deferred inflows, and fund balance	$ 70,487,666	$ 4,333,275	$ 54,302,827	$ 48,475,872

The notes to the financial statements are an integral part of this statement.

Economic Development Incentive	Other Governmental Funds	Total Governmental Funds
$ 8,803,316	$ 20,692,172	$ 62,554,405
32,395,561	72,778,189	226,739,932
-	-	14,157,205
-	546,661	3,144,149
206,281	463,065	1,443,425
-	-	1,366,121
-	263,377	263,377
-	-	440,013
-	1,403,540	4,476,119
-	-	262,870
-	139,630	443,816
41,405,158	96,286,634	315,291,432
229,000	1,106,454	4,075,908
-	25,869	7,098,595
-	2,050,559	6,699,145
-	949,164	8,515,532
-	410,975	548,149
-	1,676,133	1,887,732
-	1,143,158	2,411,703
-	67,044	67,044
229,000	7,429,356	31,303,808
-	1,142,477	11,650,301
-	139,630	706,686
-	-	3,701,797
-	-	13,320,625
-	32,287,260	32,287,260
-	34,142,395	34,142,395
-	69,287	69,287
41,176,158	-	41,176,158
-	-	993,360
-	-	113,147
-	-	152,358
-	-	276,126
-	-	809,138
-	-	1,534,826
-	-	76,004
-	-	789,353
-	-	199,900
-	-	52,217,010
-	-	22,542,436
-	21,517,457	21,517,457
-	-	364,306
-	(441,228)	45,347,694
41,176,158	87,714,801	272,337,323
$ 41,405,158	$ 96,286,634	$ 315,291,432

CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF NET POSITION
OF GOVERNMENTAL FUNDS
TO THE BALANCE SHEET
AS OF SEPTEMBER 30, 2015

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance per balance sheet	$	272,337,323
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		955,321,921
Deferred outflows represent a consumption of net position that applies to future periods and therefore will not be recognized as an outflow of resources until then. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.		7,499,030
Net pension asset and deferred outflows related to pensions.		34,925,181
Other long-term assets are not available to pay for current-period expenditures, and, therefore, are deferred in the funds.		22,590,250
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims and municipal warehouse to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		81,810,763
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		(363,005,737)
Deferred inflows represent an acquisition of net position that applies to future periods. The amount is unavailable and deferred at the fund level but recognized as revenue in the governmental activities.		11,650,301
Net pension liability and deferred inflows related to pensions.		(79,257,210)
Net position of governmental activities	$	943,871,822

The notes to the financial statements are an integral part of this statement.

Plano
City of Excellence

CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	General	Debt Service	Capital Reserve	Street Improvements
REVENUES				
Taxes:				
Property taxes	$ 98,311,322	$ 41,473,070	$ -	$ -
Sales taxes	76,829,245	-	-	-
Other taxes	1,879,700	-	-	-
Franchise fees	24,452,648	-	-	-
Fines and forfeitures	7,448,485	-	-	-
Contributions	-	-	8,575	6,303,414
Rollback taxes	-	-	1,705,253	-
Licenses and permits	11,521,327	-	-	-
Intragovernmental	9,073,068	-	-	-
Intergovernmental	981,392	-	-	3,112,733
Fees for services	13,358,451	-	-	-
Assessments	-	-	-	4,555
Assessed taxes	-	-	-	-
Investment income	599,160	204,580	412,226	377,741
Miscellaneous	1,678,769	151,423	20,900	5,530
Total revenues	246,133,567	41,829,073	2,146,954	9,803,973
EXPENDITURES				
Current operating:				
General government	28,745,531	-	-	-
Administrative services	9,671,352	-	-	-
Police	69,407,335	-	-	-
Fire	51,248,379	-	-	-
Libraries	9,747,627	-	-	-
Development	29,445,362	-	-	-
Public services and operations	5,746,042	-	-	-
Parks and recreation	21,730,109	-	-	-
Environmental waste services	-	-	-	-
Public works	5,945,885	-	-	-
Technology services	1,000,000	-	-	-
Capital outlay	1,684,308	-	23,399,604	18,846,693
Interest and fiscal charges	-	-	-	31,876
Debt service:				
Principal retirement	-	29,430,000	-	-
Interest and fiscal charges	-	12,398,406	-	-
Total expenditures	234,371,930	41,828,406	23,399,604	18,878,569
Excess (deficiency) of revenues over (under) expenditures	11,761,637	667	(21,252,650)	(9,074,596)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	3,557,954
Issuance of debt - refunding	-	51,300,000	-	-
Escrow payment - refunding	-	(57,298,532)	-	-
Premium on sale of bonds	-	6,358,891	-	574,075
Proceeds from sale of land	-	-	-	-
Transfers in	11,492,917	-	24,500,000	-
Transfers out	(22,975,356)	-	-	-
Total other financing sources (uses)	(11,482,439)	360,359	24,500,000	4,132,029
Net change in fund balances	279,198	361,026	3,247,350	(4,942,567)
Fund balances-beginning	51,324,818	3,340,771	48,969,660	40,866,108
Fund balances-ending	$ 51,604,016	$ 3,701,797	$ 52,217,010	$ 35,923,541

The notes to the financial statements are an integral part of this statement.

Economic Development Incentive	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ 139,784,392
-	-	76,829,245
-	-	1,879,700
-	-	24,452,648
-	9,556,125	17,004,610
8,059,880	79,978	14,451,847
-	-	1,705,253
-	-	11,521,327
-	-	9,073,068
-	4,667,958	8,762,083
-	3,877,258	17,235,709
-	-	4,555
-	87,955	87,955
311,436	661,096	2,566,239
648,679	95,540	2,600,841
9,019,995	19,025,910	327,959,472
-	-	28,745,531
-	-	9,671,352
-	6,937,815	76,345,150
-	353,166	51,601,545
-	146,463	9,894,090
1,910,695	1,812,449	33,168,506
-	857,132	6,603,174
-	-	21,730,109
-	51,856	51,856
-	-	5,945,885
-	-	1,000,000
-	35,328,530	79,259,135
-	241,604	273,480
-	-	29,430,000
-	-	12,398,406
1,910,695	45,729,015	366,118,219
7,109,300	(26,703,105)	(38,158,747)
-	26,572,046	30,130,000
-	-	51,300,000
-	-	(57,298,532)
-	3,570,424	10,503,390
-	456,000	456,000
-	2,742,796	38,735,713
-	(1,415)	(22,976,771)
-	33,339,851	50,849,800
7,109,300	6,636,746	12,691,053
34,066,858	81,078,055	259,646,270
$ 41,176,158	$ 87,714,801	$ 272,337,323

CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - total governmental funds	$	12,691,053
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		30,550,378
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		8,157,333
The issuance of long-term debt (e.g., bonds, tax anticipation notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(4,952,526)
Other long-term liabilities related to pension expense and contributions, are not due and payable in the current period and therefore, are not reported in governmental funds.		6,467,778
Other long-term liabilities related to pension expense in internal service funds.		377,827
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		1,753,109
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims and municipal warehouse to individual funds. The net expenses of certain activities of internal service funds is reported within governmental activities.		(1,767,738)
Grant revenue included in the special revenue funds which are used for the benefit of business-type activities. The net expenses of certain activities are reported within the business-type activities.		(16,538)
Change in net position of governmental activities	$	53,260,676

The notes to the financial statements are an integral part of this statement.

Plano
City of Excellence

CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2015

	Business-type Activities Enterprise Funds					
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	Governmental Activities-Internal Service Funds
ASSETS						
Current assets:						
Cash and cash equivalents	$ 12,188,259	$ 1,089,835	$ 523,861	$ 1,642,790	$ 15,444,745	$ 13,994,505
Investments	41,688,991	4,008,927	1,927,771	6,035,161	53,660,850	51,498,576
Receivables (net of allowance for uncollectibles)						
Accounts	19,355,051	1,134,374	728,162	757,429	21,975,016	159,164
Accrued interest	265,456	25,527	12,275	38,429	341,687	327,920
Other	2,528	1,172,961	-	60,514	1,236,003	150
Due from other funds	-	1,893	-	135,281	137,174	-
Inventories	33,007	-	-	-	33,007	903,136
Prepaid expenses and other assets	156,201	618,810	600	55,423	831,034	335,089
Net pension asset	523,604	335,106	96,344	193,734	1,148,788	543,501
Restricted assets:						
Revenue bond debt service-						
Cash and cash equivalents	-	-	777,649	-	777,649	-
Investments	-	-	1,577,282	-	1,577,282	-
Accrued interest receivable	-	-	22,603	-	22,603	-
Revenue bond reserve fund-						
Investments	-	-	1,284,408	-	1,284,408	-
Revenue bond construction fund-						
Cash and cash equivalents	-	-	845,369	-	845,369	-
Investments	-	-	3,110,893	-	3,110,893	-
Accrued interest receivable	-	-	19,808	-	19,808	-
Total current assets	74,213,097	8,387,433	10,927,025	8,918,761	102,446,316	67,762,041
Capital assets:						
Land	3,391,539	-	94,548	2,992,154	6,478,241	62,522
Buildings	2,748,029	182,820	52,921	13,782,224	16,765,994	5,844,458
Improvements other than buildings	573,989,195	-	-	2,037,373	576,026,568	-
Equipment	129,045	402,406	-	1,394,947	1,926,398	36,624,054
Furniture and fixtures	129,460	2,448	4,421	290,015	426,344	231,396
Rolling equipment	2,417	-	-	-	2,417	50,412,019
Drainage improvements	-	-	37,705,157	-	37,705,157	-
Construction in progress	19,879,957	-	3,650,455	-	23,530,412	-
Less accumulated depreciation	(253,053,131)	(119,505)	(7,697,462)	(16,176,336)	(277,046,434)	(57,159,307)
Total capital assets (net of accumulated depreciation)	347,216,511	468,169	33,810,040	4,320,377	385,815,097	36,015,142
Total noncurrent assets	347,216,511	468,169	33,810,040	4,320,377	385,815,097	36,015,142
Total assets	$ 421,429,608	$ 8,855,602	$ 44,737,065	$ 13,239,138	$ 488,261,413	$ 103,777,183
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows from pensions	1,435,280	932,923	249,300	537,083	3,154,586	1,416,160
Deferred charges on refunding	-	-	493,969	-	493,969	-
	1,435,280	932,923	743,269	537,083	3,648,555	1,416,160

The notes to the financial statements are an integral part of this statement.

(continued)

CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2015
(continued)

	Business-type Activities Enterprise Funds					
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	Governmental Activities-Internal Service Funds
LIABILITIES						
Current liabilities:						
Accounts payable	$ 5,202,408	$ 401,029	$ 701,393	$ 185,482	$ 6,490,312	$ 1,276,001
Accrued liabilities	233,649	1,823,325	31,535	133,737	2,222,246	212,837
Unearned revenue	190	9,000	-	789,946	799,136	-
Due to other funds	-	-	-	29,038	29,038	-
Customer deposits	2,454,720	-	-	303,594	2,758,314	-
Liability for compensated absences	262,406	157,039	2,140	74,338	495,923	67,750
Liability for insurance claims	-	-	-	-	-	5,358,078
Total current liabilities	8,153,373	2,390,393	735,068	1,516,135	12,794,969	6,914,666
Current liabilities payable from restricted assets:						
Contracts payable	779,984	-	-	-	779,984	-
Current portion of long-term debt	-	-	2,087,716	-	2,087,716	-
Accrued interest payable	-	-	198,464	-	198,464	-
Retainage payable	748,476	-	162,829	-	911,305	-
Total current liabilities payable from restricted assets	1,528,460	-	2,449,009	-	3,977,469	-
Total current liabilities	9,681,833	2,390,393	3,184,077	1,516,135	16,772,438	6,914,666
Noncurrent liabilities:						
Bonds payable	-	-	14,279,894	-	14,279,894	-
Net pension liability	4,437,227	2,889,977	764,733	1,662,847	9,754,784	4,348,303
Liability for compensated absences	1,490,539	1,089,054	276,969	531,597	3,388,159	703,929
Liability for insurance claims	-	-	-	-	-	581,513
Total noncurrent liabilities	5,927,766	3,979,031	15,321,596	2,194,444	27,422,837	5,633,745
Total liabilities	15,609,599	6,369,424	18,505,673	3,710,579	44,195,275	12,548,411
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows from pensions	5,022	3,272	866	1,883	11,043	4,923
	5,022	3,272	866	1,883	11,043	4,923
NET POSITION						
Net investment in capital assets	347,216,511	468,169	18,214,964	4,320,377	370,220,021	36,015,142
Restricted for:						
Debt service	-	-	2,377,534	-	2,377,534	-
Unrestricted	60,033,756	2,947,660	6,381,297	5,743,382	75,106,095	56,624,867
Total net position	$ 407,250,267	$ 3,415,829	$ 26,973,795	$ 10,063,759	$ 447,703,650	$ 92,640,009

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF NET POSITION
OF PROPRIETARY FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2015

Amounts reported for business-type activities in the statement of net position are different because:

Total net position of proprietary funds	$	447,703,650
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims and municipal warehouse to individual funds.		
The net receivable due from activities of the internal service funds which are reported within business-type activities.		13,222,811
Net position of business-type activities	$	460,926,461

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Business-type Activities Enterprise Funds					
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
Operating revenues:						
Charges for sales and services:						
Service charges	$ 131,493,742	$ 13,478,811	$ 7,141,216	$ 6,776,332	$ 158,890,101	$ 69,903,317
Franchise fees	-	7,957,587	-	-	7,957,587	-
Compost products	-	1,541,369	-	-	1,541,369	-
Subrogation receipts	-	-	-	-	-	415,678
Contributions	-	135,482	-	-	135,482	-
Miscellaneous charges	447,719	1,003,041	22,660	56,221	1,529,641	27,385
Total operating revenues	131,941,461	24,116,290	7,163,876	6,832,553	170,054,180	70,346,380
Operating expenses:						
Personnel services	10,392,881	6,679,854	2,261,642	4,691,796	24,026,173	9,536,500
Contractual services	7,739,923	7,542,057	712,049	5,894,284	21,888,313	14,605,310
Supplies	1,886,038	402,696	279,489	904,661	3,472,884	8,608,172
Claims expense	-	-	-	-	-	27,193,890
Depreciation	13,867,138	4,378	723,692	636,750	15,231,958	7,515,757
Solid waste disposal	-	7,659,694	-	-	7,659,694	-
Wastewater treatment	24,639,784	-	-	-	24,639,784	-
Charges in lieu of taxes	8,165,078	907,990	-	-	9,073,068	-
Water supply	50,579,800	-	-	-	50,579,800	-
Miscellaneous	952,862	116,909	30,636	108,227	1,208,634	52,788
Total operating expenses	118,223,504	23,313,578	4,007,508	12,235,718	157,780,308	67,512,417
Operating income (loss)	13,717,957	802,712	3,156,368	(5,403,165)	12,273,872	2,833,963
Nonoperating revenues (expenses):						
Investment income	369,289	30,775	93,076	51,054	544,194	531,323
Loss on property disposition	(151,137)	-	-	-	(151,137)	382,233
Interest and fiscal charges	-	-	(649,108)	-	(649,108)	-
Hotel/Motel tax	-	-	-	7,342,639	7,342,639	-
Intergovernmental revenues	-	-	-	-	-	155,869
Miscellaneous	125,856	10,159	(100,001)	119,571	155,585	49,769
Total nonoperating revenue (expenses)	344,008	40,934	(656,033)	7,513,264	7,242,173	1,119,194
Income before contributions and transfers	14,061,965	843,646	2,500,335	2,110,099	19,516,045	3,953,157
Contributions from developers	5,548,273	-	-	-	5,548,273	-
Transfers in	-	-	-	-	-	173,756
Transfers out	(8,804,830)	-	(1,001,191)	(685,481)	(10,491,502)	(5,441,196)
Change in net position	10,805,408	843,646	1,499,144	1,424,618	14,572,816	(1,314,283)
Total net position-beginning as adjusted (Footnote C)	396,444,859	2,572,183	25,474,651	8,639,141	433,130,834	93,954,292
Total net position-ending	$ 407,250,267	$ 3,415,829	$ 26,973,795	$ 10,063,759	$ 447,703,650	$ 92,640,009

The notes to the financial statements are an integral part of this statement.

Plano
City of Excellence

CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION OF PROPRIETARY FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Amounts reported for business-type activities in the statement of activities are different because:

Net change in net position - total proprietary funds	$ 14,572,816
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims and municipal warehouse to individual funds.	
The net revenues of certain activities of internal service funds is reported within business-type activities.	75,629
The net revenues of grant activities of special revenue funds is reported within business-type activities.	16,538
Change in net position of business-type activities	$ 14,664,983

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Business-type Activities Enterprise Funds					
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	$ 125,817,481	$ 16,928,473	$ 7,169,443	$ 6,658,970	$ 156,574,367	$ 70,065,259
Cash received from subrogation	-	-	-	-	-	415,678
Franchise fees	-	7,957,587	-	-	7,957,587	-
Charges in lieu of taxes	(8,165,078)	(907,990)	-	-	(9,073,068)	-
Cash payments to suppliers for goods and services	(85,251,213)	(16,344,358)	(427,921)	(6,947,099)	(108,970,591)	(51,475,199)
Cash paid to or on behalf of employees for services	(10,728,075)	(6,350,589)	(2,279,241)	(4,752,075)	(24,109,980)	(9,814,936)
Net cash provided (used) by operating activities	21,673,115	1,283,123	4,462,281	(5,040,204)	22,378,315	9,190,802
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Repayments to other funds	-	(1,893)	-	-	(1,893)	-
Hotel/Motel tax	-	-	-	7,342,639	7,342,639	-
Transfers to other funds	(8,804,830)	-	(1,001,191)	(791,724)	(10,597,745)	(5,441,196)
Transfers from other funds	-	-	-	-	-	173,756
Intergovernmental receipts	-	-	-	-	-	155,869
Net cash provided (used) by noncapital financing activities	(8,804,830)	(1,893)	(1,001,191)	6,550,915	(3,256,999)	(5,111,571)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(16,553,828)	(174,239)	(2,948,594)	-	(19,676,661)	(8,281,463)
Bond issuance costs paid	-	-	(11,800)	-	(11,800)	-
Proceeds from sale of equipment	-	-	-	-	-	435,909
Principal paid on long-term debt	-	-	(1,875,000)	-	(1,875,000)	-
Interest and fees paid on long-term debt	-	-	(722,683)	-	(722,683)	-
Proceeds from insurance damages	125,256	10,159	3,430	119,571	258,416	49,769
Proceeds from construction participation	600	-	-	-	600	-
Net cash provided (used) by capital and related financing activities	(16,427,972)	(164,080)	(5,554,647)	119,571	(22,027,128)	(7,795,785)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of investment securities	(41,688,991)	(4,008,927)	(7,900,354)	(6,035,161)	(59,633,433)	(51,498,576)
Proceeds from sale and maturities of investment securities	44,687,035	3,145,160	9,573,876	4,772,011	62,178,082	54,588,927
Interest on investments	373,851	24,252	96,241	41,459	535,803	533,253
Net cash provided (used) by investing activities	3,371,895	(839,515)	1,769,763	(1,221,691)	3,080,452	3,623,604
Net increase (decrease) in cash and cash equivalents	(187,792)	277,635	(323,794)	408,591	174,640	(92,950)
Cash and cash equivalents, beginning of year	12,376,051	812,200	2,470,673	1,234,199	16,893,123	14,087,455
Cash and cash equivalents, end of year	$ 12,188,259	$ 1,089,835	$ 2,146,879	$ 1,642,790	$ 17,067,763	$ 13,994,505
Classified as:						
Current assets	$ 12,188,259	$ 1,089,835	$ 523,861	$ 1,642,790	$ 15,444,745	$ 13,994,505
Restricted assets	-	-	1,623,018	-	1,623,018	-
Total	$ 12,188,259	$ 1,089,835	$ 2,146,879	$ 1,642,790	$ 17,067,763	$ 13,994,505
Noncash disclosures:						
Developers' contributions	$ 5,548,273	$ -	$ -	$ -	$ 5,548,273	$ -
Premium amortization	-	-	24,970	-	24,970	-
Amortization of deferred charge on refunding	-	-	(65,228)	-	(65,228)	-
Loss on property disposition	(151,137)	-	-	-	(151,137)	(53,675)
Increase (decrease) in fair value of investments	6,703	2,658	(663)	3,937	12,635	7,984
Transfer in (out) of capital assets	1,434,000	(43,182)	1,399	-	1,392,217	-

The notes to the financial statements are an integral part of this statement.

(continued)

CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
(continued)

	Business-type Activities Enterprise Funds					
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	$ 13,717,957	$ 802,712	$ 3,156,368	$ (5,403,165)	$ 12,273,872	$ 2,833,963
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation	13,867,138	4,378	723,692	636,750	15,231,958	7,515,757
Change in assets and liabilities:						
(Increase) decrease in-						
Accounts receivable	(6,295,032)	(18,503)	5,567	(177,912)	(6,485,880)	134,974
Other accounts receivable	(825)	779,273	-	(44,435)	734,013	(150)
Due from other funds	-	-	-	-	-	-
Prepaid expenses and other assets	(13,098)	(615,179)	(600)	(9,405)	(638,282)	(17,843)
Inventories	71,555	-	-	-	71,555	76,037
Pensions	(383,747)	(249,589)	(66,493)	(143,667)	(843,496)	(377,827)
Increase (decrease) in-						
Accounts payable	488,737	(7,823)	597,678	13,913	1,092,505	(562,124)
Accrued liabilities	36,264	444,971	2,566	27,484	511,285	29,564
Due to other funds	-	-	(2,825)	-	(2,825)	4,588
Liability for compensated absences	12,289	133,883	46,328	55,904	248,404	64,972
Customer deposits	171,687	-	-	(31,648)	140,039	-
Unearned revenue	190	9,000	-	35,977	45,167	-
Liability for insurance claims	-	-	-	-	-	(511,109)
Total adjustments	7,955,158	480,411	1,305,913	362,961	10,104,443	6,356,839
Net cash provided (used) by operating activities	$ 21,673,115	$ 1,283,123	$ 4,462,281	$ (5,040,204)	$ 22,378,315	$ 9,190,802

The notes to the financial statements are an integral part of this statement.

Plano
City of Excellence

CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
FIDUCIARY AND AGENCY FUNDS
AS OF SEPTEMBER 30, 2015
(EXCEPT PENSION TRUST FUND, WHICH IS AS OF DECEMBER 31, 2014)

	Pension Trust Fund	Postemployment Benefits Trust Fund	Agency Funds
ASSETS			
Cash and cash equivalents	$ 1,094,789	$ 965,109	$ 1,478,925
Investment pool			5,442,334
Other U.S. government obligations	16,713,968	497,540	-
Corporate bonds	20,954,587	8,113,381	-
Asset-backed securities	-	3,389,549	-
Common stocks	70,037,219	19,986,714	-
Foreign equities	7,658,543	-	-
Mutual funds	-	27,602,760	-
Master limited partnerships	2,314,200	-	-
Accrued interest	315,386	109,202	34,655
Total assets	119,088,692	60,664,255	6,955,914
LIABILITIES			
Accounts payable	53,060	276	-
Accrued liabilities	-	249,175	-
Payable from pending trades	-	407,220	-
Developers' escrow liability	-	-	6,867,262
Unclaimed property payable	-	-	88,652
Total liabilities	53,060	656,671	6,955,914
NET POSITION			
Held in trust for pension benefits	119,035,632	-	
Held in trust for other postemployment benefits	-	60,007,584	
Total net position	$ 119,035,632	$ 60,007,584	

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
(EXCEPT PENSION TRUST FUND, WHICH IS YEAR ENDED DECEMBER 31, 2014)

	Pension Trust Fund	Postemployment Benefits Trust Fund
ADDITIONS		
Contributions		
From employers	$ 4,037,995	$ 5,192,408
From retirees	-	1,042,959
Total contributions	$ 4,037,995	$ 6,235,367
Investment return:		
Net increase (decrease) in fair value of investments	5,533,887	(1,988,594)
Interest	746,129	471,171
Dividends	1,675,711	907,680
Miscellaneous	56,322	78,413
Total investment return	8,012,049	(531,330)
Total additions, net	12,050,044	5,704,037
DEDUCTIONS		
Benefits	3,518,902	3,264,005
Administrative expenses	278,376	421,985
Miscellaneous expenses	22,051	21,413
Total deductions	3,819,329	3,707,403
Net increase	8,230,715	1,996,634
Net position held in trusts - beginning of year	110,804,917	58,010,950
Net position held in trusts - end of year	$ 119,035,632	$ 60,007,584

CITY OF PLANO, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The City was originally incorporated in 1873 and chartered on June 10, 1961, and is a municipal corporation incorporated under provisions of H.B. 901 of the Texas Legislature. The City operates under a Council-Manager form of government and provides such services as authorized by its charter to advance the welfare, health, comfort, safety and convenience of the City and its inhabitants.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *State and Local Governments – Audit and Accounting Guide* and by the Financial Accounting Standards Board when applicable. The significant accounting policies of the City are described below.

A. Financial Statement Presentation

The basic financial statements are prepared in conformity with GAAP, which requires the government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities, business-type activities and activities of its discretely presented component unit on the statement of net position and statement of activities. The City's statement of net position includes both noncurrent assets and noncurrent liabilities of the City. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets, including infrastructure.

In addition to the government-wide financial statements, the City has prepared fund financial statements, which use the modified accrual basis of accounting and the current financial resources measurement focus for the governmental funds. The accrual basis of accounting is utilized by proprietary fund types and the pension trust and postemployment benefits trust funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Management's Discussion and Analysis provides an analytical overview of the City's financial activities. In addition, a budgetary comparison statement is presented that compares the original adopted and final amended General Fund and Debt Service Fund budgets with actual results. The City does not have any Special Revenue funds with legally adopted budgets.

B. Reporting Entity

The City is governed by an elected mayor and seven-member council. As required by GAAP, these financial statements present the City (the primary government) and its component unit, an entity for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and data from these units are combined with data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the City. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section

2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name);
- the City appoints a voting majority of the organization's board;
- the City is able to impose its will on the organization;
- the organization has the potential to impose a financial benefit/burden on the City; and
- there is fiscal dependency by the organization on the City.

Discretely Presented Component Unit.

The City has established a Tax Increment Financing district (TIF) for project improvements within the City. The TIF provides financing for public improvements associated with the future development of East Plano. The project was approved by the City Council in fiscal year 1999. The TIF is legally separate from the City, and the City appoints a majority of its governing board for the TIF; however, the entity is fiscally dependent on the City. In fiscal year 2014, the City passed an ordinance to extend the termination date for an additional 15 years. The additional 15 year term will include participation with the City, as well as Collin County. All taxing entities, including the Plano Independent School District, Collin College and Collin County continued to participate through the initial term which expired December 31, 2014.

Blended Component Unit.

In fiscal year 2015, the City established a Public Improvement District (PID) for project improvements and services for the Downtown Plano area, which benefits the primary government. The PID was approved in October 2014. The PID is utilized to provide additional improvements and services in Downtown Plano where funding is derived from a special assessment paid by downtown property owners and based on a property's taxable value. Chapter 372 of the Texas Local Government Code allows City Council to establish an advisory board for the PID, which has the responsibility of developing the improvement plan for the PID. The advisory board must consist of the property owners. Additionally, an executive committee is comprised of three property owners representing the greatest appraised property values, plus five other members to be elected by the entire advisory board. The executive committee shall prepare a service plan and assessment plan for consideration of the advisory board, whose recommendation shall be presented to the City Council for review and approval.

Related Organization.

The City's mayor appoints the board of the Plano Housing Authority, but the City's accountability for this organization does not extend beyond making the appointments. Thus, they are not included in the primary government or as a discretely presented component unit.

The financial statements are formatted to allow the user to clearly distinguish between primary government and its discretely presented component unit.

C. Implementation of New Accounting Pronouncement Related to Pensions

During fiscal year 2015, the City adopted the following Governmental Accounting Standards Board (GASB) Statements:

GASB Statement No. 67, "*Financial Reporting for Pension Plans; an amendment of GASB Statement No. 25*," which replaces the requirements of Statements No. 25 and No. 50 related to pension plans that are administered through trust or equivalent arrangements. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trust or equivalent arrangements. GASB Statement No. 67 was implemented December 31, 2014 for the Retirement Security Plan (RSP) as is

available in a separately issued report. The adoption of Statement No. 67 has no impact on the City's financial statements.

GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*," was implemented as required by GASB during fiscal year ending September 30, 2015. The objective of this statement is to improve accounting and financial reporting by state and local government pensions and improve the decision-usefulness of information in contributing entity financial reports and to enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. Note disclosure and required supplementary information requirements about pensions also are addressed. This statement requires the asset or liability of employer and nonemployer contributing entities to employees for defined-benefit pensions (net pension asset/liability) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. This Statement impacts the City's Texas Municipal Retirement System Plan (TMRS) and RSP.

GASB Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*," was implemented and amends paragraph 137 of Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability.

With the implementation of these statements, a restatement of the City's government-wide financial statements was made to reflect beginning net pension liability (TMRS) and asset (RSP), as well as the beginning deferred outflow of resources for contributions made between the start of the measurement period of the pension system and the City's prior fiscal year end. The restatement to beginning net position is noted below and reflected on the government-wide statements.

	Government-wide Statement of Activities	
	Governmental Activities	Business-type Activities
Net position at 10/1/14	$ 942,763,667	$ 452,567,428
Change in reporting for pensions	(52,152,521)	(6,305,950)
Net position restated at 10/1/14	$ 890,611,146	$ 446,261,478

D. Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements; the focus is either the City as a whole or major individual funds (within the fund financial statements). The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The exception to this general rule is interfund services provided by the internal service funds. Elimination of these charges would distort the direct costs reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (e.g., police, fire, public works, etc.) or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or

privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items properly excluded from program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenue (property and sales taxes, franchise fees and interest income).

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The major governmental funds are the general fund, debt service fund, capital reserve fund, street improvements fund and economic development incentive fund. The major enterprise funds are the water and sewer fund, environmental waste services fund and municipal drainage fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a separate column in the fund financial statements.

Internal Service Funds, which traditionally provide services primarily to other funds of the government, are presented in the summary form as part of the proprietary fund financial statements. Because the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental column when presented at the government-wide level. To the extent possible, the cost of these services is reflected in the appropriate functional activity (e.g., police, fire, public works, etc.). The City's internal service funds consist of the equipment maintenance and replacement, municipal warehouse, technology services, property liability loss and health claims funds.

The City's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third-party (other local governments, individuals, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The City's fiduciary funds consist of funds that account for the pension trust, postemployment benefits trust, developers' escrow and unclaimed property.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal year. The focus of the fund financial statements is on the major individual funds of the governmental and proprietary categories, as well as the fiduciary funds (by category). Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

E. Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund statements. The economic resources measurement focus means all assets and liabilities (whether current or noncurrent) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services, which are accrued. Expenses are recognized at the time the liability is incurred.

Government fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, in other words, as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers

revenues to be available if they are collected within 30 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligation has matured and is due and payable shortly after year-end as required by GASB Interpretation No. 6.

Ad valorem, franchise and sales tax revenues recorded in the General Fund and ad valorem tax revenues recorded in the Debt Service Fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, contributions and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is not measurable. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Intergovernmental grant revenues are recognized when all eligibility requirements have been met. Additionally, funds received in advance for which all eligibility requirements have not been met are considered unearned revenue.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as needed.

Paving assessments in the Street Improvements Fund are recorded as revenues when cash is received. The assessments are due in annual installments, including interest, over a four to eight year period. The assessments are measurable when assessed but are generally not available for use when assessed. Unallocated assessments are recorded as unearned revenue.

Business-type activities and all proprietary funds, and the pension trust and postemployment benefits trust funds, are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows, liabilities and deferred inflows associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net total position. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's water and sewer, environmental waste services, municipal drainage, civic center, municipal golf course, downtown center development and recreation revolving funds are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following major funds are used by the City:

1. Governmental Funds:

The focus of governmental fund measurement (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the major governmental funds of the City:

a. The General Fund accounts for several of the City's primary services (e.g., police, fire, public works, libraries, parks and recreation, etc.) and is the primary operating unit of the City.

b. The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

c. The Capital Reserve Fund accounts for the financing of betterments and renewals to the City's infrastructure and for public improvements not requiring general obligation bond financing.

d. The Street Improvements Fund accounts for the financing and acquisition of right of way and construction of streets, storm sewers and alleys. Funds are provided primarily through bond sales, paving assessments and interest earnings.

e. The Economic Development Incentive Fund accounts for $0.02 of ad valorem revenue designated by the City Council for stimulating economic development for the City through usage of 380 agreements and tax incentives.

f. Other Governmental Funds is a summarization of all of the nonmajor governmental funds.

2. Enterprise Funds:

The focus of proprietary funds measurement is upon determination of operating income, changes in net position, financial position, and cash flows, which is similar to businesses. The following is a description of the major Enterprise Funds of the City:

a. The Water and Sewer Fund accounts for the operation of the City's water and sewer utilities. Activities of the fund include administration, operation and maintenance of the water and sewer system and billing and collection activities. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure financial integrity of the fund.

b. The Environmental Waste Services Fund accounts for the provision of environmental services to customers who are billed monthly at a rate sufficient to cover the cost of providing such services.

c. The Municipal Drainage Fund accounts for the City's storm water management program.

d. Other Enterprise Funds are a summarization of all of the nonmajor enterprise funds.

3. Other Fund Types:

The City additionally reports for the following fund types:

a. Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, generally on a cost-reimbursement basis.

b. Agency funds are used to account for assets held by the City in an agency capacity for individuals (Unclaimed property) or developers (Developers' escrow). Agency funds record only assets and liabilities and therefore have no measurement focus.

c. Trust funds are used to account for the accumulation of resources to be used for the retirement benefit payments to employees of the City and for postemployment health benefits.

F. Cash, Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, demand deposits, escrow cash with a fiscal agent and short-term investments with original maturities of three months or less from the date of acquisition.

Cash and cash equivalents for government-wide funds are combined into one bank account in order to maximize investment opportunities. Although individual funds may experience temporary overdraft liabilities, a positive balance is maintained in combined cash.

All investments are recorded at fair value based on quoted market prices, except for certificates of deposit and government agencies, which are recorded at amortized cost. Amortized cost approximates fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

G. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund advances or interfund receivable/payable. All other outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

H. Inventories, Prepaid Items and Other Assets

Inventories of supplies are maintained at the City warehouse for use by all the City funds and are accounted for by the consumption method. They are valued at the lower of moving average (i.e., perpetual inventory) cost or market. Unit prices are adjusted as new inventory is added; thus, the moving average cost closely represents the cost of goods sold. Other inventories are stated at the lower of cost (i.e., first-in, first-out method) or market.

Prepaid items are for payments made by the City in the current year to receive services occurring in the subsequent fiscal year, utilizing the consumption method. Inventories and prepaid items are reflected as nonspendable fund balance in the governmental funds.

The other assets category consists of other postemployment benefits.

I. Interfund Transactions and Receivables and Payables

Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts. Long-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts and fund balance is nonspendable for these amounts. All legally authorized transfers are appropriately treated as transfers and are included in the results of operations of both governmental and proprietary funds. Nonrecurring or nonroutine transfers of equity between funds – for example, contribution of capital assets to a proprietary fund or transfers of residual balances of discontinued funds to other funds – are accounted for as transfers.

J. Capital Assets

Property, plant and equipment purchased or acquired are carried at historical cost or estimated historical cost. Contributed capital assets are recorded at estimated fair market value at the time received. Public domain (infrastructure) capital assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems have been recorded at estimated historical cost. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. For fiscal year 2015, $88,483 of such interest costs were capitalized in the Municipal Drainage Fund.

Property, plant and equipment of the primary government and business-type activities are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	15 – 40
Improvements other than buildings	20 – 50
Equipment	2 – 10
Furniture and fixtures	5 – 10
Drainage improvements	50
Meters	10
Storm/sanitary sewer	50
System infrastructure	30 – 50

K. Compensated Absences

City employees are granted vacation and sick leave in varying amounts. Employees are required to utilize a minimum of 40 hours of vacation per year. Upon termination and completion of five years of service, an employee is reimbursed for accumulated vacation. Vacation leave in excess of 480 hours will not be reimbursed upon termination. Police and firefighters are reimbursed upon termination up to a maximum of 90 days accumulated sick leave as required by state civil service law. All other full-time City employees with five or more years of service are reimbursed up to 90 days accumulated sick leave upon termination. Sick leave in excess of 90 days is not paid upon termination, but will be paid only upon illness while in the employment of the City. Accumulated vacation and sick leave is accrued when incurred in the government-wide and proprietary financial statements.

L. Federal and State Grants

Grants and shared revenues are generally accounted for within the fund financed. Federal grants are from various federal agencies including the Departments of Energy and Transportation, Housing and Urban Development, Justice and Homeland Security, which are accounted for within the Grant Fund (Special Revenue) and Street Improvements Fund (Capital Projects). Various state grants are also included in the Grant Fund and Street Improvements Funds. Grant revenues received for purposes normally financed through the general government are accounted for within the General Fund and those for specific purposes in the special revenue funds.

M. Deferred Inflows/Outflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify in this category. First, the deferred charge on refunding reported in the government-wide Statement of Net Position. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunding or the refunded debt. Second, the City's pension plan contributions made from the measurement date of the pension plan to the current fiscal year end are deferred and will be recognized in the subsequent fiscal year end. The last deferred outflow is the difference between projected and actual investment earnings that are amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify in this category, which arise only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. As a component of implementing GASB Statement No. 68, a deferred inflow is recorded in the government-wide Statement of Net Position and fund level financials for the proprietary Statements of Net Position for the difference in projected and actual experience in the actuarial measurement of the total pension liability not recognized in the current year. The amount is deferred and amortized over a period of years determined by the Plan actuary. The differences are amortized over the average remaining service life of all participants in the respective pension plan and recorded as a component of pension expense beginning with the period in which they are incurred.

Deferred outflows of resources are used to report consumptions of net position by the City that are applicable to a future reporting period. Deferred inflows of resources are used to report acquisitions of net position by the City that are applicable to future reporting periods. The deferred inflow is reclassified to revenue on the government-wide financial statements.

N. Long-Term Debt

General obligation bonds issued for general government capital projects that are to be repaid from tax revenues of the City are recorded in the government-wide statement of net position. Revenue bonds issued for proprietary fund assets that are to be repaid by the proprietary fund are recorded in the proprietary funds.

Revenue bonds have been issued to fund capital projects of proprietary funds. Such bonds are to be repaid from the net revenues of the applicable proprietary fund. To date, revenue bonds have been issued for municipal drainage improvements. Tax anticipation notes have been issued to fund permanent public improvements related to public safety communications and network infrastructure. Such notes are to be repaid from tax revenues of the City and are recorded in the government-wide statement of net position.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective-interest method in the government-wide financial statements. Issuance costs are recognized as an expense in the period incurred. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as issuance costs in the current period. The face amount of the debt issued is reflected as other financing sources. Premiums are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

O. Retirement Plans

The City has two separate retirement plans, TMRS and RSP, covering substantially all employees. In addition, the City has a deferred compensation plan and a postemployment benefit plan. It is the City's policy to record the cost for such plans on the accrual basis (See Note 5).

P. Net Position

In the government-wide and proprietary funds financial statements, the net position is reported in three components: (1) net investment in capital assets; (2) restricted; and (3) unrestricted. Net investment in capital assets represents the City's total investment in capital assets, net of depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this $(363,005,737) difference are as follows:

Bonds and tax anticipation notes payable	$ (300,470,000)
Add: Premium	(22,382,271)
Accrued interest payable	(1,062,847)
Compensated absences	(39,090,619)
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	$ (363,005,737)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of the reconciliation explains, "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense." The details of the $30,550,378 difference are as follows:

Capital outlay	$	79,259,135
Depreciation expense		(47,680,029)
Other capital-related transactions		(1,028,728)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$	30,550,378

Another element of the reconciliation states, "The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this $(4,952,526) difference are as follows:

Bonds issued:		
New money	$	(30,130,000)
Refunded bonds		(51,300,000)
Premium		(10,503,390)
Difference in refunded principal/interest and escrow deposit		252,332
Payment to escrow agent		57,298,532
Principal payments		29,430,000
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$	(4,952,526)

The reconciliation also states, "Some expenses reported in the statement of activities do not require the use of current financial resources, and, therefore are not reported as expenditures in governmental funds." The details of this $1,753,109 difference are as follows:

Changes in:		
Compensated absences	$	(1,646,510)
Accrued interest		(17,757)
Amortization of deferred charge on refunding		(1,142,167)
Amortization of bond premium		4,418,387
Change in net OPEB asset		141,156
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$	1,753,109

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Legal Compliance - Budgets

The City Charter contains the following requirements, which are adhered to by the City Council, regarding preparation of the annual budget:

- The City Manager, between 60 and 90 days prior to October 1 of each fiscal year, shall submit to the Council a proposed budget. Such budget shall provide a complete financial plan for the fiscal year.
- At the meeting of the City Council at which the budget is submitted, the City Council shall fix the time and place of a public hearing on the budget and shall cause to be published in the official newspaper

of the City, a notice of the hearing setting forth the time and place thereof at least five days before the date of such hearing.

- The budget shall be finally adopted no later than 15 days prior to the beginning of the fiscal year and should the City Council fail to so adopt a budget, the then existing budget together with its tax-levying ordinance and its appropriation ordinance, shall be deemed adopted for the ensuing fiscal year.

The City Council approves annual appropriations for operations and interfund transfers for all operating and debt service funds. Only the General Fund and Debt Service Fund have legally adopted annual budgets. The City Manager has the authority to transfer unexpended balances between departmental budgets within appropriated funds. The City Council, however, must approve any increase in fund appropriations. The legal level of budgetary control is the fund level. During the year, there were no appropriation increases for the General Fund. Funds with operating appropriations and interfund transfers set by ordinance include the General Fund and Debt Service Fund. During the year, appropriations are adjusted as a result of re-estimates by the departments. For budgetary purposes, unencumbered appropriations lapse at fiscal year-end.

Budgets and Budgetary Basis of Accounting

The Budgetary Comparison Statement, included in the basic financial statements, presents a comparison of budgetary data to actual results of operations for the General Fund, for which an annual operating budget is legally adopted. This fund utilizes the same basis of accounting for both budgetary purposes and actual results, with the following exceptions:

The portion of ad valorem tax revenues in the General Fund from “rolled back” tax payments (those taxes, up to five years back, on properties previously taxed at special use exemption values and currently changed to full values) are excluded from the budgetary basis tax revenues and from the general governmental expenditures.

The General Fund encumbrances are added to the actual expenditures for budgetary comparison.

For the year ended September 30, 2015, the Dallas Area Rapid Transit (DART) Fund reported a net deficit of $(441,228) due to timing of reimbursement requests to the DART organization.

Nature and Purpose of Classifications of Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Fund balance should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provision or enabling legislation. Fund balance should be reported as committed when amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. Fund balance should be reported as assigned for amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the governing body itself or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. Unassigned fund balance is the residual classification for the general fund and includes amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The details of fund balance classifications for other governmental funds are as follows:

Restricted for:	
Other Capital Projects:	
Municipal facilities fund	$ 8,040,038
Park improvements fund	20,759,047
Public Infrastructure	3,488,175
	$ 32,287,260
Special Revenue funds:	
Criminal investigation fund	$ 5,468,768
Grant fund	160,139
PTN fund	1,616,682
Public safety communications fund	14,727,084
Municipal court fund	11,618,784
Memorial library fund	370,649
Libraries fund	36,532
Animal shelter donations fund	143,757
	$ 34,142,395
Blended Component Unit:	
PID	$ 69,287
	$ 69,287
Assigned to:	
Other Capital Projects:	
Municipal facilities fund	$ 7,390,471
Park improvement fund	8,808,434
Park services fund	5,318,552
	$ 21,517,457
Nonspendable:	
Special Revenue funds:	
Grant fund	$ 2,300
PTN fund	127,430
Municipal court fund	9,900
	$ 139,630
Unassigned:	
Other Capital Projects:	
DART	$ (441,228)
	$ (441,228)

The City Council is the City's highest level of decision-making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the City Council. This can also be done through adoption or amendment of the budget. The resolution must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period.

The City Council has authorized the City Manager as the official authorized to assign fund balance. Such assignments cannot exceed the available (spendable, unrestricted, and uncommitted) fund balance in any particular fund.

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the City Council, and unassigned fund balance), the City will start with the most restricted category and spend those funds first before the next category with available funds.

It is the desire of the City to maintain adequate general fund balance to maintain liquidity and in anticipation of economic downturns or natural disasters. The City Council has adopted a financial standard to maintain a general fund minimum unassigned fund balance of 30 days working capital.

IV. DETAILED NOTES ON ALL FUNDS

1. DEPOSITS AND INVESTMENTS:

Deposits

Pursuant to provisions of both the Texas Public Funds Investment Act (PFIA) and the Public Funds Investment Policy of the City, all deposits of the City that exceed the federal depository insurance coverage level are collateralized with an irrevocable letter of credit at 100% or by securities held by a third party custodian and pledged to the City in an amount not less than 102% (on a market value basis) of the City's deposit of public funds and any accrued interest.

At September 30, 2015, the carrying amount of the City's demand deposits was $58,632,353, which includes component unit deposits of $1,263,390. The bank balance was $60,786,611. At September 30, 2015, the City's cash on hand totaled $886,745. At September 30, 2015, the carrying value and the bank balance of the City's non-negotiable certificates of deposit (CD's) and Texas Term (a fixed-rate, fixed term portfolio) was $39,960,156 and $5,000,000, respectively. At September 30, 2015 the carrying value of cash held in trust by a bank trust department for the City's Postemployment Benefit Trust Fund was $965,109. At December 31, 2014 the carrying value of cash held in trust by a bank trust department for the City's Retirement Security Plan was $1,094,789.

Investments

At September 30, 2015 (except Retirement Security Plan which is as of December 31, 2014), the City's investment balances were as follows:

Investment Type	Fair Value			Weighted Avg Maturity (Years)*
	Primary Government	Component Units	Total	
U.S. Agencies	$120,238,325	$6,558,702	$126,797,027	0.3466
Texas Local Government Investment Pools**	35,609,122	781,171	36,390,293	0.0006
Municipal Bonds	178,735,575	-	178,735,575	0.7716
Total	$334,583,022	7,339,873	$341,922,895	1.1188
Investment Trust Funds				
Retirement Security Plan:				
U.S. Government obligations			$ 14,148,648	1.7900
Government agency obligations			2,565,320	1.6800
Corporate bonds			20,954,587	5.5000
Equities:				
Common stocks			70,037,219	NA
Foreign equities			7,658,543	NA
Master limited partnerships			2,314,200	NA
Postemployment Benefit:				
Government agency obligations			497,540	3.7500
Corporate bonds			8,113,381	2.0360
Asset-backed securities			3,389,549	8.9750
Equities:				
Common stocks			19,986,714	NA
Mutual funds			27,602,760	NA
Total Investment Trust Funds			177,268,461	
TOTAL INVESTMENTS			$519,191,356	

**Fair-value basis*

*** Texas Local Government Investment Pool is reported under cash equivalent on the Government-wide Statement of Net Position*

Investments in both the Retirement Security Plan and the Postemployment Benefit Trust Fund are held by a bank trust department, apart from the overall City's cash and investments. The City has contracted with a bank trust department to manage the investment portfolio of the Retirement Security Plan and Postemployment Benefit Trust Fund. The investments are subject to the policies and guidelines established by the Retirement Security Plan and Postemployment Benefit Trust Fund committee members.

The City is authorized to invest in: (1) obligations of, or guaranteed by governmental entities; (2) certificates of deposit, issued by a depository institution that has its main office or branch in Texas; (3) fully collateralized repurchase agreements having a defined termination date; (4) commercial paper having a stated maturity of 270 days or fewer and is rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies or one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state; (5) no-load money market mutual funds registered and regulated by the SEC having a dollar-weighted average stated maturity of 90 days or fewer; no-load mutual funds registered with the SEC, having an average weighted maturity of less than two years and continuously rated of not less than AAA or its equivalent; and (6) eligible investment pools that invest in instruments and follow practices allowed by current law as defined by PFIA, provided that each investment meets guidelines set forth by the City's investment policy.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from increasing interest rates, the City's investment policy establishes the portfolio's maximum average dollar-weighted maturity of no more than two and a half years. By policy, the City will not directly invest in securities maturing more than five years from the date of purchase.

Credit Risk. The City's investment policy, in conjunction with state law, specifies the type of credit rating of all authorized investments. The City's investments in U.S. Agency securities, including, Federal Home Loan Bank (FHLB), Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), and First Federal Community Bank (FFCB), are rated AA+ by Standard and Poor's and Aaa by Moody's Investors Service. The investment in the Texas Local Government Pools (TexPool and Texas Daily) carried a credit rating of AAAm by Standard & Poor's as of September 30, 2013.

Concentration of Credit Risk. With the exception of U.S. Treasury securities, the City's investment policy limits the amount that may be invested in any one issuer to 50% of the total investment portfolio. As of September 30, 2015, five percent (5%) or more of the City's total investments are in: Municipal Bonds (41.17%), Federal Home Loan Mortgage Corporation securities (14.99%), Certificates of Deposits (8.94%), Investment Pools (9.26%) and Bank Accounts (13.60%), on a fair value basis.

2. PROPERTY TAXES:

The City's ad valorem or property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. The property taxes attach as an enforceable lien on property as of January 1. Appraised values are established by the Central Appraisal Districts of Collin and Denton Counties at 100% of estimated market value and certified by the Appraisal Review Boards. The assessed value for the tax roll of January 1, 2014 upon which the original 2015 levy was based, was $28,593,267,537. Subsequent adjustments decreased this value to $28,566,377,609.

Taxes are due October 1 and become delinquent after the following January 31. Penalty and interest is charged at 7% on delinquent taxes beginning February 1, and increases each month to a maximum of 18% on July 1.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the tax levy is billed. Current year revenues recognized are those ad valorem taxes collected within the current period or soon enough thereafter to pay current liabilities, generally thirty days after year-end. Current tax collections for the year ended September 30, 2015, were 99.5% of the tax levy.

The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The tax rate to finance general governmental services, including debt service, for the year ended September 30, 2015, was $0.4886 ($0.3438 for general government and $0.1448 for debt service) per $100 of assessed valuation. Thus, the City has a tax margin of approximately $2.0114 per $100 and could have levied up to approximately $574,584,119 in additional taxes from the present assessed valuation.

In Texas, countywide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City, at its own expense, requires annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals, and, if necessary, legal action. Under this system, the City sets tax rates on City property. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year.

3. RECEIVABLES:

Receivables at September 30, 2015 for the government's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

	General	Debt Service	Capital Reserve	Street Improvements	Economic Development Incentive	Water and Sewer	Environmental Waste Services	Municipal Drainage	Nonmajor and Other Funds	Total
Property Taxes	$ 3,161,309	1,483,571	-	-	-	-	-	-	-	$ 4,644,880
Sales Taxes	11,979,166	-	-	-	-	-	-	-	-	11,979,166
Mixed Drink Taxes	472,535	-	-	-	-	-	-	-	-	472,535
Accounts	1,651,702	-	915,633	30,153	-	19,592,755	1,164,894	739,440	1,463,254	25,557,831
Accrued Interest	270,683	18,418	265,975	219,003	206,281	265,456	25,527	54,686	829,414	2,155,443
Assessments	-	-	-	1,366,121	-	-	-	-	-	1,366,121
Other	-	-	-	-	-	2,528	1,172,961	-	324,041	1,499,530
Gross Receivables	17,535,395	1,501,989	1,181,608	1,615,277	206,281	19,860,739	2,363,382	794,126	2,616,709	47,675,506
Less: Allowance for Uncollectibles	(2,092,207)	(847,169)	-	-	-	(237,704)	(30,520)	(11,278)	-	(3,218,878)
Net total Receivables	$ 15,443,188	654,820	1,181,608	1,615,277	206,281	19,623,035	2,332,862	782,848	2,616,709	$ 44,456,628

The enterprise fund accounts receivable includes unbilled charges for services of $7,838,496 rendered at September 30, 2015.

4. CAPITAL ASSETS:

Capital asset activity for the year ended September 30, 2015 was as follows:

Primary Government

	Balance at Beginning of Year	Additions and Transfers	Retirements and Transfers	Balance at End of Year
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 135,280,604	$ 3,975,706	$ (458,028)	$ 138,798,282
Construction in progress	31,384,888	75,108,765	(56,507,205)	49,986,448
Public art	1,698,740	-	-	1,698,740
Total capital assets, not being depreciated	168,364,232	79,084,471	(56,965,233)	190,483,470
Capital assets, being depreciated:				
Buildings	195,426,237	12,194,193	-	207,620,430
Improvements other than buildings	184,795,080	10,563,085	-	195,358,165
Equipment	200,426,492	21,689,650	(5,956,420)	216,159,722
Infrastructure	1,076,698,996	26,042,463	-	1,102,741,459
Total capital assets being depreciated	1,657,346,805	70,489,391	(5,956,420)	1,721,879,776
Less accumulated depreciation for:				
Buildings	(107,667,290)	(8,710,944)	-	(116,378,234)
Improvements other than buildings	(84,112,508)	(5,449,475)	-	(89,561,983)
Equipment	(153,249,859)	(17,281,209)	5,331,450	(165,199,618)
Infrastructure	(526,132,190)	(23,754,158)	-	(549,886,348)
Total accumulated depreciation	(871,161,847)	(55,195,786)	5,331,450	(921,026,183)
Total capital assets, being depreciated, net	786,184,958	15,293,605	(624,970)	800,853,593
Governmental activities capital assets, net	$ 954,549,190	$ 94,378,076	$ (57,590,203)	$ 991,337,063

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 11,483,940
Administrative services	31,343
Police	879,754
Fire	421,574
Libraries	1,262,329
Development	204,805
Public services and operations	99,053
Parks and recreation	9,130,591
Public works	24,166,640
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	7,515,757
Total depreciation expense - governmental activities	$ 55,195,786

	Balance at Beginning of Year	Additions and Transfers	Retirements and Transfers	Balance at End of Year
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 6,472,289	$ 5,952	$ -	$ 6,478,241
Construction in progress	5,352,557	19,783,926	(1,606,071)	23,530,412
Total capital assets, not being depreciated	11,824,846	19,789,878	(1,606,071)	30,008,653
Capital assets, being depreciated:				
Buildings	16,591,755	174,239	-	16,765,994
Improvements other than buildings	569,114,113	7,087,341	(174,886)	576,026,568
Drainage improvements	37,694,242	10,915	-	37,705,157
Furniture and fixtures	571,477	-	(145,133)	426,344
Equipment	9,408,137	163,720	(7,643,042)	1,928,815
Total capital assets, being depreciated	633,379,724	7,436,215	(7,963,061)	632,852,878
Less accumulated depreciation for:				
Buildings	(14,875,278)	(36,887)	-	(14,912,165)
Improvements other than buildings	(238,552,461)	(14,428,583)	174,886	(252,806,158)
Drainage improvements	(6,946,012)	(720,777)	-	(7,666,789)
Furniture and fixtures	(387,831)	(3,387)	145,133	(246,085)
Equipment	(8,701,098)	(42,324)	7,328,185	(1,415,237)
Total accumulated depreciation	(269,462,680)	(15,231,958)	7,648,204	(277,046,434)
Total capital assets, being depreciated, net	363,917,044	(7,795,743)	(314,857)	355,806,444
Business-type activities capital assets, net	$ 375,741,890	$ 11,994,135	$ (1,920,928)	$ 385,815,097

Business-type activities:	
Water and sewer	$ 13,867,138
Environmental waste services	4,378
Plano centre	12,587
Municipal drainage	723,692
Municipal golf course	624,163
Total depreciation expense - business-type activities	$ 15,231,958

Component Unit

	Balance at Beginning of Year	Additions and Transfers	Retirements and Transfers	Balance at End of Year
TIF East side activities:				
Capital Assets, not being depreciated:				
Land	$ 2,453,267	$ 468,165	$ -	$ 2,921,432
Total capital assets, not being depreciated	2,453,267	468,165	-	$ 2,921,432
TIF East side activities capital assets, net	$ 2,453,267	$ 468,165	$ -	$ 2,921,432

Future expenditures for capital projects will be funded from federal and state grants as well as unexpended bond proceeds and additional general obligation or revenue bonds and operating revenues. In May 2009, $128,622,500 of various purpose general obligation bonds were authorized and $100,430,000 of the 2009 bonds have been issued. In May 2013, $98,313,000 of various purpose general obligation bonds were authorized and $5,000,000 have been issued.

5. EMPLOYEE BENEFIT PLANS:

During fiscal year 2015, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*. The benefit plans impacted by GASB Statement No. 68 pertain to TMRS and RSP.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of TMRS and RSP and additions to/deductions from TMRS and RSP's fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

A. Texas Municipal Retirement System Plan

Plan Description

The City participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by TMRS. TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) where further information can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a partial lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150% or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his or her salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows (as of December 2013):

Deposit rate	7%
Matching Ratio (City to Employee)	2 – 1
A member is vested after	5 years

Members can retire at certain ages, based on the years of service with the City. The Service Retirement Eligibilities for the City are: 5 years of service and age 60 or 20 years of service and any age.

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	942
Inactive employees entitled to but not yet receiving benefits	777
Active employees	2,200
	3,919

Contributions and Funding Policy

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each City is determined annually by the actuary, using the Entry Age Normal actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rate for the City was 18.11% in 2015. The City's contributions to TMRS for fiscal year 2015, were $25,309,703, and were equal to the required contributions. The City also contributed an additional $3,000,000 in fiscal year 2015 to TMRS which was transferred from the Health Claims Fund.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

The TPL in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.0% per year
Investment rate of return	7.0%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2014, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic equity	17.50 %	4.80 %
International equity	17.50	6.05
Core fixed income	30.00	1.50
Non-core fixed income	10.00	3.50
Real return	5.00	1.75
Real estate	10.00	5.25
Absolute return	5.00	4.25
Private equity	5.00	8.50
Total	100.00 %	

Discount Rate

The discount rate used to measure the TPL was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute, and was projected over a period of 100 years. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2013	$ 797,166,833	$ 707,927,804	$ 89,239,029
Changes for the year:			
Service cost	22,556,087		22,556,087
Interest (on the total pension liability)	55,667,118		55,667,118
Difference between expected and actual experience	(122,591)		(122,591)
Benefit payments, including refunds of employee contributions	(26,400,655)	(26,400,655)	-
Contributions - employer		28,690,370	(28,690,370)
Contributions - employee		9,684,277	(9,684,277)
Net investment income		40,500,200	(40,500,200)
Administrative expense		(422,815)	422,815
Other		(34,762)	34,762
Net changes	51,699,959	52,016,615	(316,656)
Balance at December 31, 2014	$ 848,866,792	$ 759,944,419	$ 88,922,373

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table presents the sensitivity of the NPL to changes in the discount rate when calculating it at 1-percentage-point-lower (6%) and 1-percentage-point-higher (8%).

1% Decrease 6.0%	Current Single Rate Assumption 7.0%	1% Increase 8.0%
$ 212,744,999	$ 88,922,373	$ (12,715,174)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TMRS financial report which may be obtained at www.tmrs.com.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2015, the City recognized pension expense of $21,230,581.

At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	$ -	$ (100,664)
Difference between projected and actual investment earnings on pension plan investments	7,243,797	-
Employer contributions subsequent to the measurement date	18,189,883	-
	$ 25,433,680	$ (100,664)

Deferred outflows of resources of $18,189,883 related to pensions resulting from contributions subsequent to the measurement date. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2016	$ 1,789,022
2017	1,789,022
2018	1,789,022
2019	1,789,023
2020	(12,956)
Total	$ 7,143,133

B. Retirement Security Plan

Plan Description

On January 1, 1983, the City withdrew from the Federal Social Security system and created the RSP, a single-employer, defined-benefit pension trust fund, to provide retirement benefits for all full-time employees of the City. The Plan is created by City ordinance and administered by a committee of five, which meets four times a year. Professional investment management is used and a custodial bank retains the assets and provides for administration of benefit payments.

The Plan issues a separate publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by request to the City's Human Resources Department, 1520 Avenue K, Suite 130, Plano, Texas 75074.

As of the December 31, 2014 biennial actuarial valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	646
Inactive employees entitled to but not yet receiving benefits	51
Active employees	2,054
	2,751

Retirement benefits become vested after five years of service. Members who terminate employment prior to completing five years of service are not eligible for any benefit and all contributions made on their behalf remain with the plan. Members are eligible to receive full retirement income benefits when they reach age 65 or reduced benefits when they reach a younger age and meet certain length-of-service requirements. Early retirement benefits are paid upon completion of 20 years of vesting service (TMRS credited service) or upon attaining age 60 with five years of vesting service. At least five years must be with the City. The RSP provides retirement income benefits, with annual cost-of-living adjustments, based on a member's years of service, average compensation (highest three years of last ten), and choice of single or joint-life monthly payments or a lump-sum payment as detailed following.

For normal retirement, the monthly benefit payment is calculated as follows:

> .007 X City of Plano credited service since January 1, 1983 (not to exceed 25 years) X average compensation (highest 3 years of last 10).

Early retirement benefits paid upon completion of 20 years of vesting (TMRS credited service) or upon attaining age 60 with 5 years of vesting service with the City are calculated as follows:

> .007 X City of Plano credited service since January 1, 1983 (not to exceed 25 years) X average compensation (highest 3 years of last 10) X a reduction factor based on the number of years which the benefit start date precedes the normal retirement date. The benefit amount is reduced by one-fifteenth (1/15) for each of the first five years and one-thirtieth (1/30) for each of the next five years (and on an Actuarial Equivalent basis thereafter) by which the starting date of payments precedes the employee's normal retirement date.

Benefits are paid as a monthly life annuity to the participant, with a guarantee that should the participant die prior to receiving 60 monthly payments, the payments will continue to a beneficiary for the balance of the 60-month period. There is no reduction factor if the participant waits until age 65 to begin drawing a monthly benefit.

A lump-sum payment option is available to eligible employees. Lump-sum payments follow these guidelines:

> When lump-sum value is less than $5,000, the benefit must be in form of a single lump-sum payment.
>
> When lump-sum value is $5,000 - $12,000, participant has choice of single lump-sum payment or monthly annuity payments.
>
> When lump-sum value exceeds $12,000, the participant must receive monthly annuity payments.

Joint and survivor options are available. Total and permanent disability retirement benefits are provided. Each April 1, retirement benefits that have been paid for at least 12 months are adjusted to reflect changes in the U.S. Consumer Price Index (not to exceed 4%). This adjustment is applied to only the participant's benefits; spouses or beneficiaries are excluded.

Contributions and Funding Policy

Contributions by the City are established as part of the City budget process and the actuarially determined percentage of each payroll. No employee contributions are required by the plan. The City contributed $4,037,995 for the year ended December 31, 2014.

The contribution amount is a 21-year level percentage of pay funding with a 3.5% payroll growth assumption. This funding approach produces a contribution pattern that is intended to increase in amount from year to year but remain relatively constant as a percent of payroll. Administrative costs, including investment, custodial trustee, and actuarial services are charged to the plan.

Net Pension Asset

The City's Net Pension Asset (NPA) was measured as of December 31, 2014 and the TPL used to calculate the NPA was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL was determined by an actuarial valuation as of December 31, 2013. The TPL as of December 31, 2014 was determined by rolling forward the liability from the actuarial valuation date using the following actuarial assumptions:

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method:	Entry Age Normal
Amortization method:	Level percentage of payroll, closed
Remaining amortization period:	21 years as of the valuation date
Asset valuation method:	5-year smoothed market; 20% corridor
Inflation:	3.00%
Salary increases:	8.10% to 3.50% including inflation
Investment rate of return:	7.75%
Retirement age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2010 valuation pursuant to an experience study of the period 2005-2009.
Mortality:	RP-2000 mortality for combined healthy annuitants. Female rates are multiplied by 0.85.

Rate of Return

Asset Class	Long-Term Expected Arithmetic Real Rate of Return	Target Asset Allocation	Development of Long-Term Arithmetic Return for Investment Portfolio
U.S. Government Obligations	2.3%	18%	0.41%
Government Agency Obligations	2.3%	2%	0.05%
Corporate Bonds	1.3%	12%	0.16%
U.S. Large Cap Stocks	5.7%	44%	2.51%
U.S. Mid Cap Stocks	7.3%	10%	0.73%
U.S. Small Cap Stocks	7.3%	3%	0.22%
Foreign Equities	6.6%	8%	0.53%
Alternatives (REITS), MLPs	5.7%	3%	0.17%
		Total Expected Arithmetic Real Return:	4.78%
		Inflation Assumption for Actuarial Valuation:	3.00%
		Total Expected Arithmetic Nominal Return:	7.78%

Note: The long-term expected rate of return on retirement plan investments was determined using a building-block method in which best-estimate expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Retirement Plan's target asset allocation as of December 31, 2014 are summarized in the above table.

Discount Rate

A single discount rate of 7.75% was used to measure the total pension liability for the plan years ended December 31, 2014 and 2013. This single discount rate was based on the expected rate of return on pension plan investment of 7.75%. Based on the stated assumptions and the projection of cash flows as of each plan year ending December 31, the pension plan's fiduciary net position and future contributions were sufficient to finance all the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability.

The projection of cash flows used to determine the single discount rate for the Plan assumed that the funding policy adopted by the RSP's Retirement Committee will remain in effect for all future years. Under this funding policy, the City will finance the unfunded actuarial accrued liability over the closed period ending September 30, 2035, as a level percentage of payroll. Under this policy, there are 20 years remaining in the amortization period.

Changes in the Net Pension Asset

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) - (b)
Balance at December 31, 2013	$ 100,604,971	$ 110,804,917	$ (10,199,946)
Changes for the year:			
Service cost	3,674,544		3,674,544
Interest (on the total pension liability)	7,802,936		7,802,936
Benefit payments	(3,518,902)	(3,518,902)	-
Contributions - employer		4,037,995	(4,037,995)
Net investment income		8,012,049	(8,012,049)
Administrative expense		(278,376)	278,376
Other		(22,051)	22,051
Net changes	7,958,578	8,230,715	(272,137)
Balance at December 31, 2014	$ 108,563,549	$ 119,035,632	$ (10,472,083)

Sensitivity of the Net Pension Asset to Changes in the Discount Rate

1% Decrease 6.75%	Current Single Rate Assumption 7.75%	1% Increase 8.75%
$ 5,152,573	$ (10,472,083)	$ (23,555,397)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2015, the City recognized pension expense of $3,298,814.

At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual investment earnings on pension plan investments	$ 467,044	$ -
Employer contributions subsequent to the measurement date	2,855,748	-
	$ 3,322,792	$ -

Deferred outflows of resources of $2,855,748 related to pensions resulting from contributions subsequent to the measurement date. Deferred outflows of resources of $116,761 related to the difference between projected and actual earnings on investments will be recognized in the current fiscal year. The remaining years reported as deferred outflows of resources will be recognized in pension expense as follows:

2016	$ 116,761
2017	116,761
2018	116,761
2019	116,761
Total	$ 467,044

Deferred Compensation Plan

The City offers its employees a deferred compensation plan, which is a defined-contribution benefit plan, created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property or rights are held in trust or under one or more annuity contracts described in Internal Revenue Code Section 401(f). Except as may otherwise be permitted or required by law, no assets or income of the plan shall be used for, or diverted to, purposes other than for the exclusive purpose of providing benefits for participants and their beneficiaries or defraying reasonable expenses of administration of the plan. Accordingly, the assets of the plan are not reported in the City's basic financial statements.

Postemployment Benefits

The City offers its retired employees under age 65 health insurance coverage under the same plan as the active employees and Medicare supplementary insurance for retirees 65 and older. The number of retired participants receiving health insurance coverage for 2015 was 387 of which 208 were on the same plan as the active employees and 179 on Medicare supplementary insurance. Premiums are paid by the retired employees and claims are processed by the City's agent and paid through the Health Claims Fund. Expenditures for postretirement healthcare benefits are recognized as retirees report claims. Claims paid for retired employees for 2015 were $3,264,005.

Postemployment Benefits Trust Fund - Section 115 Trust

Plan Description

On March 1, 2008, the City established a Section 115 Trust (the Trust) to comply with the requirements of Governmental Accounting Standards Board Statement (GASB) No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions (OPEB), for the purpose of funding and providing certain benefits to its eligible retirees and dependents. The single-employer, joint contributor hybrid defined-benefit plan is created by City ordinance and administered by the Risk Pool Trustees who meet four times a year. The Risk Pool Trustees consist of three or more City employees who are appointed by the City pursuant to the Plano Welfare Benefit Plan. Professional investment management is used and a custodial bank retains the assets of the Trust. The Trust issued a separate publicly available financial report that includes financial statements and required supplementary information at the Trust's fiscal year-end which is December 31. Those financial reports may be obtained by request to the City's Human Resources Department, 1520 Avenue K, Suite 130, Plano, Texas 75074.

Receipt of Contributions

The City delivers to the Section 115 Trustee the amounts of money that are contributed to the Trust Fund by the City and by participants. Contributions by the City are established as part of the City budget process and are based on amounts determined in the actuarial study prepared biennially. For fiscal year ending September 30, 2015, the City contributed $5,192,408 to the Trust, which represents approximately 102.8% of the annual required contribution of the employer (ARC). In addition, retirees contributed $1,042,959 to the Trust.

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost is calculated based on the City's ARC, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial

liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount annually contributed to the Trust, and the changes in the City's net OPEB asset to the Trust.

	2015	2014	2013
Annual required contribution (ARC)	$ 5,050,024	5,050,024	4,579,847
Interest on net OPEB asset	(1,463,996)	(1,463,996)	(1,566,048)
Adjustment to the ARC	1,465,224	1,465,224	1,387,754
Annual OPEB cost	5,051,252	5,051,252	4,401,553
Contributions made	(5,192,408)	(5,219,998)	(4,911,473)
(Increase) Decrease in net OPEB asset	(141,156)	(168,746)	(509,920)
Net OPEB asset, beginning of year	(21,082,973)	(20,914,227)	(20,404,307)
Net OPEB asset, end of year	$ (21,224,129)	(21,082,973)	(20,914,227)

The net OPEB asset has been recorded in prepaid and other assets in the government-wide financial statements.

The following table shows the assumed annual OPEB cost and net OPEB asset for the prior three years (7% discount and level percent of pay amortization):

Fiscal Year Ended	Discount Rate	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Asset
9/30/13	7%	4,401,553	111.6%	(20,914,227)
9/30/14	7%	5,051,252	103.3%	(21,082,973)
9/30/15	7%	5,051,252	102.8%	(21,224,129)

Funding Status and Funding Progress

The funding status as of the most recent actuarial valuation date, is as follows:

Fiscal Year	Valuation Date	Value of Assets at Fiscal Year End	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
9/30/13	10/01/11	51,322,263	59,410,089	86.4%	(8,087,826)	124,090,481	(6.5%)
9/30/14	10/01/13	50,780,101	73,844,336	68.8%	(23,064,235)	128,505,673	(17.9%)
9/30/15	10/01/13	60,478,815	73,844,336	81.9%	(13,365,521)	128,505,673	(17.9%)

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Trust and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

	2015	2014	2013
Actuarial valuation date	10/01/13	10/01/13	10/01/11
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level%	Level%	Level%
Remaining amortization period	22.2 years-Closed	22.2 years-Closed	24.2 years-Closed
Asset valuation method	Market	Market	Market
Actuarial assumptions:			
Investment rate of return	7%	7%	7%
Payroll growth	3%	3%	3%
Inflation rate	2.5%	2.5%	2.8%
Medical inflation trend rate	5.7% initial	5.7% initial	10.9% initial

In the October 1, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 7.0% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on the Trust assets and on the employer's own investments calculated based on the funded level of the Trust at the valuation date, and an annual healthcare trend rate of 5.7% initially, adjusted each year with an ultimate trend rate of 4.5% reached in 76 years. Both rates include a 2.5% inflation assumption. The initial UAAL was amortized over the maximum permissible period of 30 years as a level percentage of projected payroll on a closed basis, where salaries are assumed to increase at 3% per annum. The effective remaining amortization period at October 1, 2013 was 22.2 years. The value of assets is equal to the market value of assets as of the valuation date.

6. LONG-TERM DEBT:

A summary of long-term debt transactions, including current portion, for the year ended September 30, 2015, is as follows (in thousands of dollars):

	Balance, Beginning of Year	Increase	Decrease	Balance, End of Year	Due Within One Year
Governmental Activities:					
General obligation bonds and certificates of obligation	$ 298,365	75,685	(80,040)	294,010	26,435
Tax anticipation notes	4,700	5,745	(3,985)	6,460	1,295
Deferred amounts:					
Premium	16,297	10,503	(4,418)	22,382	4,178
Bond issuance costs	-	-	-	-	-
Total bonds and notes payable	319,362	91,933	(88,443)	322,852	31,908
Compensated absences	38,146	16,013	(14,297)	39,862	5,420
Liability for insurance claims	6,451	27,194	(27,705)	5,940	5,358
Governmental activities Long-term debt	$ 363,959	135,140	(130,445)	368,654	42,686

The compensated absences liability attributable to the governmental activities will be liquidated by several of the City's governmental and internal service funds. Approximately 95.6% has been paid by the General Fund, 0.7% by Special Revenue Funds and 3.7% by Internal Service Funds.

The liability for insurance claims will be liquidated through a variety of funds. The General Fund bears approximately 80.7% of the claims and judgments liability. The Enterprise Funds bear approximately 14.0% of the claims and judgment liability, while the Internal Service and Special Revenue Funds bear approximately 5.0% and 0.3%, respectively.

	Balance, Beginning of Year	Increase	Decrease	Balance, End of Year	Due Within One Year
Business-Type Activities:					
Municipal Drainage revenue bonds	$ 17,705	7,105	(9,005)	15,805	2,045
Deferred amounts:					
Premium	311	277	(25)	563	43
Bond issuance costs	-	-	-	-	-
Total bonds payable	18,016	7,382	(9,030)	16,368	2,088
Compensated absences	3,636	1,759	(1,511)	3,884	496
Business-type activities Long-term debt	$ 21,652	9,141	(10,541)	20,252	2,584

Long-term debt at September 30, 2015 includes the following individual issues (not including the unamortized premium of $22,382,271 and the unamortized deferred charge on refunding of $7,499,030 of the General Obligation Bonds, and the unamortized premium of $562,609 and unamortized deferred charges of $493,969 of the Municipal Drainage Revenue Bonds):

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Net Retirement	Outstanding
General Obligation Bonds:						
2005 Refunding and Improvements	3.50 – 5.00	5/15/2005	9/1/2025	84,880,000	84,880,000	-
2006 Various purpose	4.00 – 5.00	2/1/2006	9/1/2026	40,925,000	40,925,000	-
2007 Various purpose	4.25 – 5.25	5/1/2007	9/1/2027	35,675,000	34,080,000	1,595,000
2008 Various purpose	3.50 – 5.00	1/15/2008	9/1/2028	41,295,000	10,755,000	30,540,000
2009 Refunding and Improvements	2.25 – 4.75	1/15/2009	9/1/2029	35,330,000	14,880,000	20,450,000
2010 Refunding and Improvements	2.00 – 4.00	1/15/2010	9/1/2030	28,520,000	11,365,000	17,155,000
2011 Various purpose	2.50 - 4.75	1/15/2011	9/1/2031	21,400,000	2,945,000	18,455,000
2011 Refunding and Improvements	2.00 – 5.00	11/17/2011	9/1/2032	46,400,000	7,135,000	39,265,000
2013 Refunding and Improvements	2.00 – 5.00	3/6/2013	9/1/2033	61,925,000	1,790,000	60,135,000
2014 Refunding and Improvements	2.00 - 4.00	4/28/2014	9/1/2034	29,325,000	4,185,000	25,140,000
2015 Refunding and Improvements	2.00 - 5.00	5/14/2015	9/1/2035	75,685,000	1,080,000	74,605,000
				501,360,000	214,020,000	287,340,000
Tax Anticipation Notes:						
2008 Tax anticipation notes	3.00 – 3.25	1/15/2008	9/1/2015	17,075,000	17,075,000	-
2009 Tax anticipation notes	2.25 – 3.00	1/15/2009	9/1/2016	6,355,000	5,350,000	1,005,000
2015 Tax anticipation notes	2.00 - 3.00	5/14/2015	9/1/2021	5,745,000	290,000	5,455,000
				29,175,000	22,715,000	6,460,000
Certificates of Obligation:						
2006 Various purpose	4.25 – 4.50	2/1/2006	9/1/2026	3,765,000	3,765,000	-
2010 Various purpose	2.00 – 4.00	1/15/2010	9/1/2022	9,660,000	2,990,000	6,670,000
				13,425,000	6,755,000	6,670,000
Municipal Drainage Revenue Bonds:						
2005 Refunding and Improvements	3.00 – 5.00	5/15/2005	5/15/2025	11,610,000	11,610,000	-
2006 Improvements	4.00 – 5.00	2/1/2006	5/15/2026	1,455,000	1,385,000	70,000
2007 Improvements	4.00 – 5.50	5/1/2007	5/15/2027	2,000,000	1,815,000	185,000
2008 Improvements	4.00 – 4.50	1/15/2008	5/15/2028	2,085,000	515,000	1,570,000
2009 Refunding and Improvements	3.00 – 3.50	1/15/2009	5/15/2029	4,790,000	2,870,000	1,920,000
2010 Refunding and Improvements	2.00 – 4.25	1/15/2010	5/15/2030	6,790,000	1,835,000	4,955,000
2015 Refunding	2.00 - 4.00	5/14/2015	5/15/2027	7,105,000	-	7,105,000
				$ 35,835,000	20,030,000	15,805,000

The annual requirements to amortize debt outstanding as of September 30, 2015, including interest payments of $101,701 follow. Due to the nature of the obligation for compensated absences, annual requirements to amortize such obligations are not determinable and have not been included in the following summary (noted in thousands):

Year Ended September 30	General Obligation, Tax Anticipation Notes & Certificates of Obligation		Municipal Drainage	
	Principal	Interest	Principal	Interest
2016	$ 27,730	12,739	2,045	505
2017	25,525	11,833	1,775	469
2018	24,750	10,814	1,600	423
2019	24,050	9,759	1,440	380
2020	20,450	8,688	1,285	342
2021-2025	94,975	30,116	5,235	1,072
2026-2030	58,625	11,798	2,425	270
2031-2035	24,365	2,493	-	-
Total	$ 300,470	98,240	15,805	3,461

The City intends to retire all of its general long-term liabilities, plus interest, from ad valorem taxes and other current revenues. The proprietary fund type long-term debt will be repaid, plus interest, from the operating revenues of the Water and Sewer Fund and the Municipal Drainage Fund.

A. General Obligation Bonds and Certificates

The City is required by ordinance to create from ad valorem tax revenues a sinking fund sufficient to pay the current interest and principal installments as they become due. The Debt Service Fund has $3,701,797 available to service the general obligation debt after all debt due in the current fiscal year has been paid.

There are a number of limitations and restrictions contained in the various general obligation bonds and certificate indentures. Management of the City believes it is in compliance with the significant limitations and restrictions at September 30, 2015.

Arbitrage provisions of the Internal Revenue Tax Act of 1986 require the City to rebate excess arbitrage earnings from bond proceeds to the federal government. Beginning in 1992, the City paid required five-year rebates. There are no future rebates estimated as of September 30, 2015. As provided for by the bond indentures, this amount has been recorded in the General Fund in "Due to other governments" for the benefit of the federal government and will be paid as required by applicable regulations.

In May 2015, the City issued $75,685,000 in General Obligation refunding and improvements bonds, with interest rates ranging from 2.0% to 5.0%. The portion of the debt that represents refunded bonds were Series 2005, 2006, and 2007 general obligation bonds totaling $54,040,000 and carried interest rates ranging from 4.0% to 5.0% with maturity dates of 2016 through 2027 and Series 2006 certificates of obligation totaling $555,000 with interest rates of 4.25% with maturity dates of 2016 through 2018. As a result of the refunding, the City obtained an economic gain (difference between present value of the debt service payments on the old and new debt) of $3,577,659. In May 2015, the City also issued $5,745,000 in Tax Notes, with interest rates ranging from 2.0% to 3.0%. At September 30, 2015, $29,850,000 of the defeased bonds are still outstanding.

B. Municipal Drainage Revenue Bonds

The Municipal Drainage Revenue Bonds are secured by a first lien on and pledge of the revenues of the Municipal Drainage Fund in accordance with the provisions of the bond indenture.

The bond indenture requires the City to make equal monthly installments to a debt service fund to pay principal and interest requirements as they become due. At September 30, 2015, $2,377,534 is restricted within the Municipal Drainage Fund for debt service requirements.

In addition, the bond indenture requires a reserve equal to the average annual debt services requirement be maintained in order to pay any bond principal and interest should the debt service funds be insufficient. At September 30, 2015 the reserve required and restricted within the Municipal Drainage Fund is $1,284,408.

In May of 2015, the City issued $7,105,000 in Municipal Drainage refunding bonds, with interest ranging from 2.0% to 4.0%. The portion of the debt that represents refunded bonds were 2005, 2006, and 2007 series municipal drainage revenue bonds totaling $7,130,000 and carried interest rates ranging from 3.75 % to 5.0% with maturity dates in 2016 through 2026. As a result of the refunding, the City obtained an economic gain (difference between present value of the debt service payments on the old and new debt) of $483,244.

Municipal Drainage revenue bonds are covered by the arbitrage provisions of the Internal Revenue Tax Act of 1986. Accordingly, there were no excess arbitrage earnings estimated at September 30, 2015. The City is in compliance with all requirements of the bond ordinance for the year ended September 30, 2015.

Restricted assets of the Municipal Drainage Fund at September 30, 2015 are as follows:

Cash and cash equivalents	$	1,623,018
Investments		5,972,583
Accrued interest receivable		42,411
	$	7,638,012

7. INTERFUND TRANSACTIONS:

A summary of interfund receivables and payables at September 30, 2015 is as follows:

	Due From			
Due To	General Fund	Environmental Waste Service	Nonmajor Enterprise Funds	Total
General Fund	$ -	1,893	135,281	$ 137,174
Nonmajor Governmental Funds	410,975	-	-	410,975
Nonmajor Enterprise Funds	29,038	-	-	29,038
Total	$ 440,013	1,893	135,281	$ 577,187

Due to and due from entries are primarily used to account for cash owed between funds that are expected to be repaid within one year or less.

The City performs a complex calculation to determine the value of the charges in lieu of taxes to be paid to the General Fund. This calculation is reasonably equivalent to the value of the services provided to the Water and Sewer and Environmental Waste Services funds and is, therefore, appropriately reported as an expense as opposed to a transfer. During fiscal year 2015, charges in lieu of taxes were $9,073,068.

Transfers between funds during the year were as follows:

	Transfers In					
Transfers Out	General Fund	Capital Reserve	Internal Service	Nonmajor Governmental Funds	Component Unit	Total
General Fund	$ -	22,500,000	173,756	251,600	50,000	$ 22,975,356
Nonmajor Governmental Funds	1,415	-	-	-	-	1,415
Internal Service	3,000,000	-	-	2,441,196	-	5,441,196
Water and Sewer	7,304,830	1,500,000	-	-	-	8,804,830
Municipal Drainage	501,191	500,000	-	-	-	1,001,191
Nonmajor Enterprise Funds	685,481	-	-	-	-	685,481
Total	$ 11,492,917	24,500,000	173,756	2,692,796	50,000	38,909,469

The City performs a cost allocation to determine the portion of indirect expenses that will be reimbursed by the respective business-type activities to the General Fund. The City funds the Capital Reserve fund by transferring amounts from the General Fund and Water and Sewer fund each year based on a portion of depreciation.

Transfers are primarily used to move funds to finance various programs in accordance with budgetary authorizations.

8. REGIONAL SYSTEMS FOR WATER SUPPLY, WASTEWATER TREATMENT AND SOLID WASTE DISPOSAL:

The City secures its water supply and sewer services from the North Texas Municipal Water District ("District"), a district authorized by the Texas Constitution, Article XVI, Section 59; created by the Texas Legislature, Article 8280-141; and authorized to act by the confirming vote of the majority of the qualified voters in each of the cities comprising the District. The District has police, taxation and eminent domain powers and is authorized to issue revenue and/or tax bonds upon approval by the Attorney General of the State of Texas and functions as a political subdivision of the State of Texas independent of the City. The District is governed by a 17-member board (the "Board"), the City being authorized by statute to appoint two of those members. The Board has full power and discretion to establish its budget and to set the rates for the services it provides by contracts with its member cities and customer cities. The Board is empowered by statute and contract, or otherwise permitted by law, to discontinue a facility or service in order to prevent an abuse or to enforce payment of an unpaid charge, fee or rental due to the District. Because of the factors mentioned above, the District is not included in the City's basic financial statements. A portion of the outstanding bonds of the District are contract revenue bonds based on contracts with certain member cities of the District. The City provides for the payment of its contractual obligations with the District from revenues generated by its waterworks and sewer systems. Such contractual payments provide for the payment of the principal and interest requirements, and the premium payment, if any, on specified indebtedness and associated operation and maintenance expenses of the District.

Water Supply

On December 12, 1953, the City entered into a contract with the District whereby the District agreed to provide water for the benefit of the City. In return for this service, the City agreed to pay the District at a rate per 1,000 gallon basis, subject to minimum annual payments. The City's annual payment for the year ended September 30, 2015 was $50,579,800. The City has also contracted for water transmission facility improvements and pays the District for debt service for bonds issued to fund the improvements. For fiscal year 2015, this payment was $819,950. Future years' payments to debt service are as follows:

2016	824,600
2017	836,650
2018	222,525

Wastewater Treatment

On October 1, 1975, the City entered into a contract for wastewater treatment services with the District. The District has been designated by the Texas Water Quality Board as the regional agency to provide and develop a Regional System for Wastewater Treatment in the general area of the East Fork of the Trinity River, which includes the City and other cities located in Collin, Dallas, Kaufman and Rockwall Counties, Texas. Relative thereto, the City and other cities have entered into wastewater system contracts with the District, which provide for the establishment, operation and maintenance of a Regional Wastewater System for the purpose of providing facilities to adequately receive, transport, treat and dispose of wastewater for the cities. In order to provide said services, the contract provides that (a) the District will acquire, design, construct and complete the system, repair, replace and/or extend the system to provide service to the cities; (b) in consideration of payments to be made under the contract, each of the cities shall have the right to discharge all its wastewater from its sewage system into the District's system, subject to certain quality requirements set forth in the contract; (c) the District will issue its bonds, in amounts and at times determined by the District, to provide for the wastewater treatment facilities; (d) each city agrees to pay its proportionate share of the annual requirement sufficient to pay or provide for the payment of an "Operation and Maintenance Component" and a "Bond Service Component;" (e) each city's proportionate share of the annual requirement shall be a percentage obtained by dividing such city's estimated contributing flow to the system by the total estimated contributing flow to the system by all cities during such fiscal year. No city will exercise

oversight responsibility for the District and no city is liable for the District's debt. The City's payment for the year ended September 30, 2015 was $24,639,784, net of payments to the City for facilities usage.

Solid Waste Disposal

On November 29, 1979, the City entered into a contract for services with the District, whereby the District agreed to provide a solid waste disposal system for the benefit of the City and other cities. Each city agreed to pay its share of an annual requirement for the operating expenses and debt service of the District to be calculated in the same manner as the wastewater contract. The City's annual payment for the year ended September 30, 2015 was $7,659,694.

9. COMMITMENTS AND CONTINGENCIES:

The City has contractual commitments of $49,471,072 in the Capital Projects Funds, $14,185,699 in the Water and Sewer Fund, and $1,886,915 in the Municipal Drainage Fund. These commitments are for construction of various projects and will be funded primarily from general obligation bond proceeds in the Capital Projects Funds, operating revenues in the Water and Sewer Fund and revenue bond proceeds in the Municipal Drainage Fund.

Various claims and lawsuits are pending in which the City is involved. Included among the various actions are those for which the discovery process is currently underway or which have yet to proceed to trial. It is the opinion of City management that the ultimate outcome of all other lawsuits will not have a material adverse effect on the City's financial position.

The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement that may arise as the result of these audits is not believed to be material.

10. SELF-INSURANCE:

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains a self-insurance program for general liability, public officials' errors and omission, police professional liability, property loss and workers' compensation. The Property/Liability Loss Fund (Internal Service) has been established to pay identified claims and judgments, maintain loss reserves and purchase insurance coverage as required.

Group medical benefits are paid from the Health Claims Fund (Internal Service), which has an annually negotiated stop loss provision. Revenues are recognized from payroll deductions for employee dependent coverage and from City contributions for employee coverage.

The liabilities for insurance claims reported in each of the funds are based on GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include an estimate for incurred but not reported claims. Change in each fund's claims liability amount in fiscal 2015 and 2014 was as follows:

Fund		Liability, Beginning of year	Current year Claims and Changes in Estimates	Claim Payments	Liability, End of year
	2015				
Property/Liability Loss		$ 3,976,274	$ 3,040,888	$ (3,177,118)	$ 3,840,044
Health Claims		2,474,426	24,153,002	(24,527,881)	2,099,547
Total		$ 6,450,700	$ 27,193,890	$ (27,704,999)	$ 5,939,591
	2014				
Property/Liability Loss		$ 4,079,902	$ 3,066,430	$ (3,170,058)	$ 3,976,274
Health Claims		$ 2,326,614	23,256,457	(23,108,645)	2,474,426
Total		$ 6,406,516	$ 26,322,887	$ (26,278,703)	$ 6,450,700

Plano
City of Excellence

CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final	Actual			
REVENUES:						
Taxes:						
Property taxes	$ 98,401,884	$ 98,154,106	$ 98,311,322	$ (1,705,253)	$ 96,606,069	$ (1,548,037)
Sales taxes	65,947,054	72,673,623	76,829,245	-	76,829,245	4,155,622
Other taxes	1,644,618	1,863,740	1,879,700	-	1,879,700	15,960
Franchise fees	23,890,591	24,643,020	24,452,648	-	24,452,648	(190,372)
Fines and forfeitures	8,045,043	7,596,802	7,448,485	-	7,448,485	(148,317)
Licenses and permits	8,464,920	9,349,785	11,521,327	-	11,521,327	2,171,542
Intragovernmental	9,073,068	9,073,068	9,073,068	-	9,073,068	-
Intergovernmental	1,052,102	926,415	981,392	-	981,392	54,977
Fees for services	12,729,850	12,734,288	13,358,451	-	13,358,451	624,163
Investment income	150,000	600,000	599,160	-	599,160	(840)
Miscellaneous	1,576,119	1,634,903	1,678,769	-	1,678,769	43,866
Total revenues	230,975,249	239,249,750	246,133,567	(1,705,253)	244,428,314	5,178,564
EXPENDITURES:						
General government	29,291,521	25,936,503	28,745,531	(711,893)	28,033,638	(2,097,135)
Administrative services	9,760,373	10,254,318	9,671,352	113,147	9,784,499	469,819
Police	71,236,589	70,387,586	69,407,335	152,358	69,559,693	827,893
Fire	51,833,887	52,294,494	51,248,379	274,011	51,522,390	772,104
Libraries	9,844,583	10,360,311	9,747,627	306,153	10,053,780	306,531
Development	30,813,025	32,274,300	29,445,362	1,309,794	30,755,156	1,519,144
Public services and operations	6,022,572	6,131,751	5,746,042	76,004	5,822,046	309,705
Parks and recreation	22,373,160	23,345,461	21,730,109	783,222	22,513,331	832,130
Public works	6,089,131	6,139,747	5,945,885	199,899	6,145,784	(6,037)
Technology services	1,000,000	1,000,000	1,000,000	-	1,000,000	-
Capital outlay	1,987,802	2,437,465	1,684,308	736,264	2,420,572	16,893
Total expenditures	240,252,643	240,561,936	234,371,930	3,238,959	237,610,889	2,951,047
Excess (deficiency) of revenues over (under) expenditures	(9,277,394)	(1,312,186)	11,761,637	(4,944,212)	6,817,425	8,129,611
OTHER FINANCING SOURCES (USES):						
Transfers in	9,158,556	8,491,502	11,492,917	-	11,492,917	3,001,415
Transfers out	(20,250,000)	(22,750,000)	(22,975,356)	-	(22,975,356)	(225,356)
Total other financing uses	(11,091,444)	(14,258,498)	(11,482,439)	-	(11,482,439)	2,776,059
Net change in fund balance	(20,368,838)	(15,570,684)	279,198	(4,944,212)	(4,665,014)	10,905,670
FUND BALANCE, October 1	51,324,818	51,324,818	51,324,818	-	51,324,818	-
FUND BALANCE, September 30	$ 30,955,980	$ 35,754,134	$ 51,604,016	$ (4,944,212)	$ 46,659,804	$ 10,905,670

See accompanying independent auditors' report.

CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
ADJUSTMENTS TO REVENUES, EXPENDITURES AND OTHER FINANCING USES FROM GAAP BASIS TO BUDGETARY BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

		Net Change in Fund Balance
GAAP basis	$	279,198
Revenues:		
Decrease due to rolled back taxes		(1,705,253)
Expenditures:		
Increase due to encumbrances		(3,238,959)
Budgetary basis	$	(4,665,014)

See accompanying independent auditors' report.

CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF OPEB TRUST - POSTEMPLOYMENT BENEFITS 115 TRUST FUNDING PROGRESS AND CONTRIBUTIONS
LAST SIX FISCAL YEARS (Unaudited)

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) -Unit Credit	Unfunded Actuarial Accrued Liability UAAL	Funded Percent	Covered Payroll	UAAL Percent of Covered Payroll	Annual Required Contributions	Actual City Contributions	Actual Retiree Contributions	Percent Contributed By City
2010	10/1/09	27,256,812	50,657,828	(23,401,016)	53.81%	113,388,754	(20.6%)	4,036,553	5,474,975	789,146	135.63%
2011	10/1/09	33,647,178	50,657,828	(17,010,650)	66.42%	113,388,754	(15.0%)	4,036,553	4,192,847	908,333	103.87%
2012	10/1/11	35,008,862	59,410,089	(24,401,227)	58.93%	124,090,481	(19.7%)	4,579,847	4,243,468	812,013	92.66%
2013	10/1/11	51,322,263	59,410,089	(8,087,826)	86.39%	124,090,481	(6.5%)	4,579,847	4,911,473	938,320	107.24%
2014	10/1/13	50,780,101	73,844,336	(23,064,235)	68.77%	128,505,673	(17.9%)	5,050,024	5,219,998	1,001,647	103.37%
2015	10/1/13	60,478,815	73,844,336	(13,365,521)	81.90%	128,505,673	(10.4%)	5,050,024	5,192,408	1,042,959	102.82%

See accompanying independent auditors' report.

CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2015

TMRS (see accompanying independent auditors' report)

Schedule of Changes in Net Pension Liability and Related Ratios (10 years)

Fiscal year ending December 31,	2014
Total pension liability	
Service cost	$ 22,556,087
Interest (on the total pension liability)	55,667,118
Difference between expected and actual experience	(122,591)
Benefit payments, including refunds of employee contributions	(26,400,655)
Net change in total pension liability	$ 51,699,959
Total pension liability - beginning	797,166,833
Total pension liability - ending (a)	$ 848,866,792
Plan fiduciary net position	
Contributions - employer	$ 28,690,370
Contributions - employee	9,684,277
Net investment income	40,500,200
Benefit payments, including refunds of employee contributions	(26,400,655)
Administrative expense	(422,815)
Other	(34,762)
Net change in plan fiduciary net position	$ 52,016,615
Plan fiduciary net position - beginning	707,927,804
Plan fiduciary net position - ending (b)	$ 759,944,419
Net pension liability (a) - (b)	$ 88,922,373
Plan fiduciary net position as a percentage of the total pension liability	89.52%
Covered - employee payroll	$ 138,229,574
Net pension liability as a percentage of covered employee payroll	64.33%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2015

Schedule of Contributions (10 years)

	2015
Actuarially determined contributions	$ 25,309,703
Contributions in relation to the actuarially determined contribution	28,309,703
Contribution deficiency (excess)	(3,000,000)
Covered employee payroll	$ 138,720,040
Contributions as a percentage of covered employee payroll	20.4%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

Notes to Schedule of Contributions

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19 years
Asset valuation method	10 year smoothed market; 15% soft corridor
Inflation	3.0%
Salary increases	3.5% to 12.0% including inflation
Investment rate of return	7.0%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005-2009.
Mortality	RP2000 Combine Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Other Information:

Notes	There were no benefit changes during the year.

CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2015

RSP (see accompanying independent auditors' report)

Schedule of Changes in Net Pension Asset and Related Ratios (10 years)

Fiscal year ending December 31,		2014
Total pension liability		
Service cost	$	3,674,544
Interest (on the total pension liability)		7,802,936
Benefit payments		(3,518,902)
Net change in total pension liability		7,958,578
Total pension liability - beginning		100,604,971
Total pension liability - ending (a)	$	108,563,549
Plan Fiduciary Net Position		
Contributions - employer	$	4,037,995
Net investment income		8,012,049
Benefit payments		(3,518,902)
Administrative expense		(278,376)
Other		(22,051)
Net change in plan fiduciary net position		8,230,715
Plan fiduciary net position - beginning		110,804,917
Plan fiduciary net position - ending (b)	$	119,035,632
Net pension asset (a) - (b)		(10,472,083)
Plan fiduciary net position as a percentage of the total pension liability		109.65%
Covered - employee payroll	$	117,023,684
Net pension asset as a percentage of covered employee payroll		(8.95)%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2015

Schedule of Contributions (10 years)

RSP Schedule of Contributions

	2015
Actuarially determined contributions	$ 3,908,790
Contributions in relation to the actuarially determined contribution	3,908,790
Contribution deficiency (excess)	-
Covered employee payroll	$ 125,281,726
Contributions as a percentage of covered employee payroll	3.12%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

Notes to Schedule of Contributions

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method:	Entry Age Normal
Amortization method:	Level percentage of payroll, closed
Remaining amortization period:	21 years as of the valuation date
Asset valuation method:	5-year smoothed market; 20% corridor
Inflation:	3.00%
Salary increases:	8.10% to 3.50% including inflation
Investment rate of return:	7.75%
Retirement age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2010 valuation pursuant to an experience study of the period 2005-2009.
Mortality:	RP-2000 mortality for combined healthy annuitants. Female rates are multiplied by 0.85.

Plano
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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

CRIMINAL INVESTIGATION FUND – to account for any monies taken into police custody as a result of police investigation. These monies are to be spent only on law enforcement activities as provided by state statute.

GRANT FUND – to account for monies received from other governmental agencies.

PLANO TELEVISION NETWORK (PTN) FUND – to account for monies received for local access programming, under conditions contained within the franchise agreement with AT&T Broadband.

PUBLIC SAFETY COMMUNICATIONS – to account for 9-1-1 reserve fund monies received from wireless communication fees to be used for related 9-1-1 services; and intergovernmental radio fund fees collected under an interlocal agreement for a joint communication system between the cities of Plano, Allen and Frisco, the fees are used to pay maintenance expenses of the system; and wireline fees and reporting for 9-1-1 expenditures.

MUNICIPAL COURT – to account for building security fund monies received from conviction of misdemeanor fees to be used to provide for the security and housing of municipal courts; teen court fees collected from teens requesting teen court, these monies are used to cover the costs of administering teen court; municipal court technology state fees collected with each citation that has resulted from a conviction; and judicial efficiency state fees collected for payment on any part of a judgment on or after the 31st date on which a judgment is entered where one-half is remitted to the state, four-tenths is retained locally with no restriction, while one-tenth is used for the purpose of improving judicial efficiency.

MEMORIAL LIBRARY FUND – to account for monies received in support of the City's library.

SEIZED ASSETS FUND – to account for the seizure and disposition of assets confiscated by local law enforcement agencies.

LIBRARIES – to account for library training lab monies received from the Bill and Melinda Gates Foundation for the establishment of a library training lab; and Sproles library fund monies received in support of the City's library.

ANIMAL SHELTER DONATIONS – to account for donations to assist the animal shelter.

BLENDED COMPONENT UNIT:

PUBLIC IMPROVEMENT DISTRICT – organized to provide additional improvements and services in Downtown Plano where funding is derived from a special assessment paid by downtown property owners and based on a property's taxable value.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other government.

The City's nonmajor Capital Projects Funds are as follows:

DART – to account for the financing and construction of street modifications necessary to accommodate the public transportation system. Funds are provided through the DART Local Assistance Program.

PARK IMPROVEMENTS – to account for the financing and construction of park construction projects.

MUNICIPAL FACILITIES – to account for the financing and construction of various City facilities. Funds are provided primarily through bond sales and interest earnings.

PARK SERVICES – to account for building permit fees exclusively for the acquisition and development of new neighborhood and parks.

PUBLIC INFRASTRUCTURE – to account for Improvements to City of Plano owned infrastructure related to existing commercial facilities, including streets, utilities, open space and other infrastructure.

Plano
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CITY OF PLANO, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2015

	Special Revenue			
	Criminal Investigation	**Grant**	**PTN**	**Public Safety Communications**
ASSETS				
Cash and cash equivalents	$ 1,168,231	$ 1,020,025	$ 397,483	$ 3,092,441
Investments	4,299,007	385,763	1,462,707	11,379,959
Receivables (net of allowance for uncollectible)				
Accounts	-	-	-	-
Accrued interest	27,374	2,454	9,314	72,462
Other	-	262,511	-	-
Due from other governments	7,532	384,806	-	194,825
Prepaid items and other assets	-	2,300	127,430	-
Total assets	5,502,144	2,057,859	1,996,934	14,739,687
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	25,844	85,871	241,157	12,603
Accrued liabilities	-	2,210	11,665	-
Contracts payable	-	-	-	-
Unearned revenue	5,156	229,033	-	-
Due to other funds	-	410,975	-	-
Due to other governments	-	27,230	-	-
Retainage payable	-	-	-	-
Seized assets payable	-	-	-	-
Total liabilities	31,000	755,319	252,822	12,603
Deferred inflows of resources:				
Unavailable revenue	2,376	1,140,101	-	-
Fund Balances:				
Nonspendable:				
Prepaid items and other assets	-	2,300	127,430	-
Restricted for:				
Capital projects	-	-	-	-
Special revenue	5,468,768	160,139	1,616,682	14,727,084
Blended component unit	-	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Unassigned:	-	-	-	-
Total fund balances	5,468,768	162,439	1,744,112	14,727,084
Total liabilities, deferred inflows, and fund balance	$ 5,502,144	$ 2,057,859	$ 1,996,934	$ 14,739,687

						Blended Component Unit
Municipal Court	Memorial Library	Seized Assets	Libraries	Animal Shelter Donations	Public Improvement District
$ 2,748,645	$ 79,144	$ 14,255	$ 7,767	$ 30,625	$ 15,075
10,114,818	291,245	52,456	28,583	112,697	55,829
546,600	-	-	-	61	-
64,411	1,855	333	182	718	-
-	-	-	-	-	-
101,402	-	-	-	-	-
9,900	-	-	-	-	-
13,585,776	372,244	67,044	36,532	144,101	70,904
296,195	1,595	-	-	344	1,617
11,994	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,648,903	-	-	-	-	-
-	-	-	-	-	-
-	-	67,044	-	-	-
1,957,092	1,595	67,044	-	344	1,617
-	-	-	-	-	-
9,900	-	-	-	-	-
-	-	-	-	-	-
11,618,784	370,649	-	36,532	143,757	-
-	-	-	-	-	69,287
-	-	-	-	-	-
-	-	-	-	-	-
11,628,684	370,649	-	36,532	143,757	69,287
$ 13,585,776	$ 372,244	$ 67,044	$ 36,532	$ 144,101	$ 70,904

(continued)

CITY OF PLANO, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2015
(continued)

	Capital Projects					
	DART	Park Improvements	Municipal Facilities	Public Infrastructure	Park Services	Total Nonmajor Governmental Funds
ASSETS						
Cash and cash equivalents	$ -	$ 6,846,663	$ 3,399,384	$ 741,635	$ 1,130,799	$ 20,692,172
Investments	-	25,195,221	12,509,486	2,729,162	4,161,256	72,778,189
Receivables (net of allowance for uncollectible)						
Accounts	-	-	-	-	-	546,661
Accrued interest	-	160,432	79,655	17,378	26,497	463,065
Other	-	866	-	-	-	263,377
Due from other governments	714,975	-	-	-	-	1,403,540
Prepaid items and other assets	-	-	-	-	-	139,630
Total assets	714,975	32,203,182	15,988,525	3,488,175	5,318,552	96,286,634
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES						
Liabilities:						
Accounts payable	441,228	-	-	-	-	1,106,454
Accrued liabilities	-	-	-	-	-	25,869
Contracts payable	-	1,682,279	368,280	-	-	2,050,559
Unearned revenue	714,975	-	-	-	-	949,164
Due to other funds	-	-	-	-	-	410,975
Due to other governments	-	-	-	-	-	1,676,133
Retainage payable	-	953,422	189,736	-	-	1,143,158
Seized assets payable	-	-	-	-	-	67,044
Total liabilities	1,156,203	2,635,701	558,016	-	-	7,429,356
Deferred inflows of resources:						
Unavailable revenue	-	-	-	-	-	1,142,477
Fund Balances:						
Nonspendable:						
Prepaid items and other assets	-	-	-	-	-	139,630
Restricted for:						
Capital projects	-	20,759,047	8,040,038	3,488,175	-	32,287,260
Special revenue	-	-	-	-	-	34,142,395
Blended component unit	-	-	-	-	-	69,287
Assigned to:						
Capital projects	-	8,808,434	7,390,471	-	5,318,552	21,517,457
Unassigned:	(441,228)	-	-	-	-	(441,228)
Total fund balances	(441,228)	29,567,481	15,430,509	3,488,175	5,318,552	87,714,801
Total liabilities, deferred inflows, and fund balance	$ 714,975	$ 32,203,182	$ 15,988,525	$ 3,488,175	$ 5,318,552	$ 96,286,634

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CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Special Revenue			
	Criminal Investigation	Grant	PTN	Public Safety Communications
REVENUES				
Fines and forfeitures	$ 4,297,251	$ -	$ -	$ -
Contributions	-	-	-	-
Intergovernmental	19,780	2,741,130	-	210,084
Fees for services	-	-	888,806	1,628,191
Assessed taxes	-	-	-	-
Investment income	25,863	5,494	13,165	123,584
Miscellaneous	37,550	42,031	-	-
Total revenues	4,380,444	2,788,655	901,971	1,961,859
EXPENDITURES				
Police	97,072	401,692	-	1,548,309
Fire	-	36,042	-	317,124
Libraries	-	134,964	-	-
Development	-	1,743,372	-	-
Public services and operations	-	-	761,868	86,713
Environmental waste services	-	51,856	-	-
Capital outlay	1,189,000	190,767	78,420	921,663
Interest and fiscal charges	-	-	-	-
Total expenditures	1,286,072	2,558,693	840,288	2,873,809
Excess (deficiency) of revenues over (under) expenditures	3,094,372	229,962	61,683	(911,950)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of bonds	-	-	-	-
Premium on sale of bonds	-	-	-	-
Proceeds from sale of land	-	-	-	-
Transfers in	-	-	500,000	1,600
Transfers out	-	(1,415)	-	-
Total other financing sources (uses)	-	(1,415)	500,000	1,600
Net change in fund balances	3,094,372	228,547	561,683	(910,350)
Fund balances-beginning	2,374,396	(66,108)	1,182,429	15,637,434
Fund balances-ending	$ 5,468,768	$ 162,439	$ 1,744,112	$ 14,727,084

					Blended Component Unit
Municipal Court	Memorial Library	Libraries	Animal Shelter Donations	Public Improvement District
$ 5,258,874	$ -	$ -	$ -	$ -
-	17,848	-	62,130	-
-	-	-	-	-
1,049,027	-	-	-	-
-	-	-	-	87,955
96,466	3,105	304	982	-
-	-	-	-	409
6,404,367	20,953	304	63,112	88,364
4,890,742	-	-	-	-
-	-	-	-	-
-	9,897	1,602	-	-
-	-	-	-	69,077
-	-	-	8,551	-
-	-	-	-	-
51,284	34,928	-	-	-
-	-	-	-	-
4,942,026	44,825	1,602	8,551	69,077
1,462,341	(23,872)	(1,298)	54,561	19,287
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	50,000
-	-	-	-	-
-	-	-	-	50,000
1,462,341	(23,872)	(1,298)	54,561	69,287
10,166,343	394,521	37,830	89,196	-
$ 11,628,684	$ 370,649	$ 36,532	$ 143,757	$ 69,287

(continued)

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
(continued)

	Capital Projects					
	DART	Park Improvements	Municipal Facilities	Public Infrastructure	Park Services	Total Nonmajor Governmental Funds
REVENUES						
Fines and forfeitures	$ -	$ -	$ -	$ -	$ -	$ 9,556,125
Contributions	-	-	-	-	-	79,978
Intergovernmental	-	1,696,964	-	-	-	4,667,958
Fees for services	-	-	-	-	311,234	3,877,258
Assessed taxes	-	-	-	-	-	87,955
Investment income	1,175	181,963	140,089	26,575	42,331	661,096
Miscellaneous	-	15,550	-	-	-	95,540
Total revenues	1,175	1,894,477	140,089	26,575	353,565	19,025,910
EXPENDITURES						
Police	-	-	-	-	-	6,937,815
Fire	-	-	-	-	-	353,166
Libraries	-	-	-	-	-	146,463
Development	-	-	-	-	-	1,812,449
Public services and operations	-	-	-	-	-	857,132
Environmental waste services	-	-	-	-	-	51,856
Capital outlay	714,975	18,456,491	13,150,442	-	540,560	35,328,530
Interest and fiscal charges	-	186,618	54,986	-	-	241,604
Total expenditures	714,975	18,643,109	13,205,428	-	540,560	45,729,015
Excess (deficiency) of revenues over (under) expenditures	(713,800)	(16,748,632)	(13,065,339)	26,575	(186,995)	(26,703,105)
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of bonds	-	20,827,046	5,745,000	-	-	26,572,046
Premium on sale of bonds	-	3,360,438	209,986	-	-	3,570,424
Proceeds from sale of land	-	-	-	456,000	-	456,000
Transfers in	-	-	2,191,196	-	-	2,742,796
Transfers out	-	-	-	-	-	(1,415)
Total other financing sources (uses)	-	24,187,484	8,146,182	456,000	-	33,339,851
Net change in fund balances	(713,800)	7,438,852	(4,919,157)	482,575	(186,995)	6,636,746
Fund balances-beginning	272,572	22,128,629	20,349,666	3,005,600	5,505,547	81,078,055
Fund balances-ending	$ (441,228)	$ 29,567,481	$ 15,430,509	$ 3,488,175	$ 5,318,552	$ 87,714,801

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CITY OF PLANO, TEXAS
BUDGETARY COMPARISON SCHEDULE-GAAP BASIS
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Property taxes	$ 41,090,089	$ 41,274,412	$ 41,473,070	$ 198,658
Investment income	33,000	120,000	204,580	84,580
Miscellaneous	150,597	151,423	151,423	-
Total revenues	41,273,686	41,545,835	41,829,073	283,238
EXPENDITURES:				
Principal retirement	28,350,000	29,430,000	29,430,000	-
Interest and fiscal charges	13,508,246	12,029,147	12,398,406	(369,259)
Total expenditures	41,858,246	41,459,147	41,828,406	(369,259)
Excess (deficiency) of revenues over (under) expenditures	(584,560)	86,688	667	(86,021)
OTHER FINANCING SOURCES (USES):				
Issuance of debt-refunding	-	-	51,300,000	51,300,000
Escrow payment-refunding	-	-	(57,298,532)	(57,298,532)
Premium from sale of bonds	-	-	6,358,891	6,358,891
Transfers in	-	-	-	-
Total other financing sources	-	-	360,359	360,359
Net change in fund balance	(584,560)	86,688	361,026	274,338
FUND BALANCE, October 1	3,340,771	3,340,771	3,340,771	-
FUND BALANCE, September 30	$ 2,756,211	$ 3,427,459	$ 3,701,797	$ 274,338

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NONMAJOR ENTERPRISE FUNDS

Following are the nonmajor Enterprise Funds:

CIVIC CENTER FUND – to account for the convention and tourism activities of the City's Civic Center.

MUNICIPAL GOLF COURSE FUND – to account for operation of the City's golf course, including administration, operation and maintenance. All costs are financed through fees charged to patrons.

DOWNTOWN CENTER DEVELOPMENT FUND – to account for the construction of a multi-use project in the City's downtown area.

RECREATION REVOLVING FUND – to account for recreational programs and activities that are offered to groups and individuals on a fee basis. Fees are adjusted periodically to cover the cost of providing each program.

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
AS OF SEPTEMBER 30, 2015

	Business-type Activities Enterprise Funds				
	Plano Centre	Municipal Golf Course	Downtown Center Development	Recreation Revolving	Total Nonmajor Enterprise Funds
ASSETS					
Cash and cash equivalents	$ 858,080	$ 42,245	$ 103,456	$ 639,009	$ 1,642,790
Investments	3,148,225	155,457	380,708	2,350,771	6,035,161
Receivables:					
Accounts	731,344	6,336	17,520	2,229	757,429
Accrued interest	20,046	990	2,424	14,969	38,429
Other	60,370	-	-	144	60,514
Due from other funds	-	-	-	135,281	135,281
Prepaid expenses and other assets	43,290	-	-	12,133	55,423
Net pension asset	136,137	29,322	-	28,275	193,734
Capital assets:					
Land	2,359,859	595,296	36,999	-	2,992,154
Buildings	11,354,841	2,427,383	-	-	13,782,224
Improvements other than buildings	790,021	1,247,352	-	-	2,037,373
Equipment	1,325,525	40,278	-	29,144	1,394,947
Furniture and fixtures	205,226	14,915	-	69,874	290,015
Less accumulated depreciation	(12,888,805)	(3,188,513)	-	(99,018)	(16,176,336)
Total capital assets (net of accumulated depreciation)	3,146,667	1,136,711	36,999	-	4,320,377
Total assets	8,144,159	1,371,061	541,107	3,182,811	13,239,138
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows from pensions	384,008	80,519	-	72,556	537,083
	384,008	80,519	-	72,556	537,083
LIABILITIES					
Current liabilities:					
Accounts payable	127,917	27,215	579	29,771	185,482
Accrued liabilities	101,814	11,632	-	20,291	133,737
Unearned revenue	209,936	-	-	580,010	789,946
Due to other funds	-	-	-	29,038	29,038
Customer deposits	-	-	-	303,594	303,594
Liability for compensated absences	49,208	3,980	-	21,150	74,338
Total current liabilities	488,875	42,827	579	983,854	1,516,135
Noncurrent liabilities:					
Net pension liability	1,191,559	248,982	-	222,306	1,662,847
Liability for compensated absences	358,781	65,552	-	107,264	531,597
Total noncurrent liabilities	1,550,340	314,534	-	329,570	2,194,444
Total liabilities	2,039,215	357,361	579	1,313,424	3,710,579
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows from pensions	1,349	282	-	252	1,883
	1,349	282	-	252	1,883
NET POSITION					
Net investment in capital assets	3,146,667	1,136,711	36,999	-	4,320,377
Unrestricted	3,340,936	(42,774)	503,529	1,941,691	5,743,382
Total net position	$ 6,487,603	$ 1,093,937	$ 540,528	$ 1,941,691	$ 10,063,759

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Business-type Activities Enterprise Funds				
	Plano Centre	Municipal Golf Course	Downtown Center Development	Recreation Revolving	Total Nonmajor Enterprise Funds
Operating revenues:					
Charges for sales and services:					
Service charges	$ 2,214,238	$ 870,211	$ 147,789	$ 3,544,094	$ 6,776,332
Miscellaneous charges	116	-	-	56,105	56,221
Total operating revenues	2,214,354	870,211	147,789	3,600,199	6,832,553
Operating expenses:					
Personnel services	2,813,054	609,965	-	1,268,777	4,691,796
Contractual services	3,919,862	186,420	11,726	1,776,276	5,894,284
Supplies	595,436	123,521	-	185,704	904,661
Depreciation	12,587	624,163	-	-	636,750
Miscellaneous	78,464	1,803	-	27,960	108,227
Total operating expenses	7,419,403	1,545,872	11,726	3,258,717	12,235,718
Operating income (loss)	(5,205,049)	(675,661)	136,063	341,482	(5,403,165)
Nonoperating revenues:					
Investment income	23,216	919	3,393	23,526	51,054
Hotel/motel tax	7,342,639	-	-	-	7,342,639
Miscellaneous	-	84,434	-	35,137	119,571
Total nonoperating revenue	7,365,855	85,353	3,393	58,663	7,513,264
Income (loss) before transfers	2,160,806	(590,308)	139,456	400,145	2,110,099
Transfers in	-	-			-
Transfers out	(455,438)	(41,772)	-	(188,271)	(685,481)
Change in net position	1,705,368	(632,080)	139,456	211,874	1,424,618
Total net position-beginning as adjusted (Footnote C)	4,782,235	1,726,017	401,072	1,729,817	8,639,141
Total net position-ending	$ 6,487,603	$ 1,093,937	$ 540,528	$ 1,941,691	$ 10,063,759

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Business-type Activities Enterprise Funds				
	Plano Centre	Municipal Golf Course	Downtown Center Development	Recreation Revolving	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	$ 2,107,050	$ 863,875	$ 147,189	$ 3,540,856	$ 6,658,970
Cash payments to suppliers for goods and services	(4,622,767)	(320,677)	(11,147)	(1,992,508)	(6,947,099)
Cash paid to or on behalf of employees for services	(2,900,188)	(600,011)	-	(1,251,876)	(4,752,075)
Net cash provided (used) by operating activities	(5,415,905)	(56,813)	136,042	296,472	(5,040,204)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Hotel/Motel tax	7,342,639	-	-	-	7,342,639
Transfers to other funds	(455,438)	(41,772)	-	(294,514)	(791,724)
Net cash provided (used) by noncapital financing activities	6,887,201	(41,772)	-	(294,514)	6,550,915
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from insurance damages	-	84,434	-	35,137	119,571
Net cash provided in capital and related financing activities	-	84,434	-	35,137	119,571
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investment securities	(3,148,225)	(155,457)	(380,708)	(2,350,771)	(6,035,161)
Proceeds from sale and maturities of investment securities	2,000,878	167,647	274,624	2,328,862	4,772,011
Interest on investments	15,260	942	2,628	22,629	41,459
Net cash provided (used) in investing activities	(1,132,087)	13,132	(103,456)	720	(1,221,691)
Net increase (decrease) in cash and cash equivalents	339,209	(1,019)	32,586	37,815	408,591
Cash and cash equivalents, beginning of year	518,871	43,264	70,870	601,194	1,234,199
Cash and cash equivalents, end of year	$ 858,080	$ 42,245	$ 103,456	$ 639,009	$ 1,642,790
Noncash disclosures:					
Increase in fair value of investments	$ 2,907	$ 23	$ 295	$ 712	$ 3,937

(continued)

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
(continued)

	Business-type Activities Enterprise Funds				
	Plano Centre	Municipal Golf Course	Downtown Center Development	Recreation Revolving	Total Nonmajor Enterprise Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	$ (5,205,049)	$ (675,661)	$ 136,063	$ 341,482	$ (5,403,165)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	12,587	624,163	-	-	636,750
Change in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	(168,747)	(6,336)	(600)	(2,229)	(177,912)
Other receivable	(45,204)	-	-	769	(44,435)
Prepaid expenses and other assets	(8,903)	-	-	(502)	(9,405)
Pensions	(102,791)	(21,531)	-	(19,345)	(143,667)
Increase (decrease) in:					
Accounts payable	25,102	(8,933)	579	(2,835)	13,913
Accrued liabilities	23,883	1,771	-	1,830	27,484
Liability for compensated absences	(8,226)	29,714	-	34,416	55,904
Customer deposits	-	-	-	(31,648)	(31,648)
Unearned revenue	61,443	-	-	(25,466)	35,977
Total adjustments	(210,856)	618,848	(21)	(45,010)	362,961
Net cash provided (used) by operating activities	$ (5,415,905)	$ (56,813)	$ 136,042	$ 296,472	$ (5,040,204)

Plano
City of Excellence

INTERNAL SERVICE FUNDS

Internal Service Funds accounts for the financing of goods or services provided by one department for another.

The City has five Internal Service Funds as follows:

EQUIPMENT MAINTENANCE FUND – to account for the cost of operating and maintaining automotive and other equipment used by City departments. Service charges are billed to departments on a monthly basis to cover all expenses of the fund, including depreciation of furniture and fixtures, machinery and equipment necessary to provide maintenance services and for replacement of the fleet.

MUNICIPAL WAREHOUSE FUND – to account for the operation of a central warehouse facility which provides the capability of storing and distributing in volume supplies and materials used by City departments. An overhead charge is applied to the purchase price of all materials handled to cover the operating costs, including the cost of goods sold.

TECHNOLOGY SERVICES FUND – to account for the data processing and information systems. Charges for software, hardware and maintenance of the systems are billed to the user funds.

PROPERTY/LIABILITY LOSS FUND – to account for the operation of a self-insurance program for general liability, public officials errors and omission, police professional liability, property loss and worker's compensation.

HEALTH CLAIMS FUND – to account for the self-insurance operation of group accident and health insurance coverage for all City employees. In addition to the basic insurance coverage provided, employees may purchase dependent coverage through payroll deductions. Coverage is financed by billings to the departments and through employee payroll deductions.

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
AS OF SEPTEMBER 30, 2015

	Equipment Maintenance	Municipal Warehouse	Technology Services
ASSETS			
Cash and cash equivalents	$ 5,210,788	$ 62,009	$ 2,260,539
Investments	19,175,320	228,005	8,318,617
Receivables:			
Accounts	-	16,147	-
Accrued interest	122,100	1,452	52,969
Other	150	-	-
Inventories	56,515	846,621	-
Prepaid items	2,175	-	24,605
Net pension asset	131,948	27,228	353,956
Capital assets:			
Land	51,515	-	11,007
Buildings	5,264,915	-	579,543
Equipment	14,183,546	-	21,947,022
Furniture and fixtures	165,547	9,413	55,625
Rolling equipment	50,412,019	-	-
Less accumulated depreciation	(44,790,409)	(9,413)	(11,865,188)
Total capital assets (net of accumulated depreciation)	25,287,133	-	10,728,009
Total assets	49,986,129	1,181,462	21,738,695
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows from pensions	341,985	72,223	921,101
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts payable	381,217	180,860	642,023
Accrued liabilities	50,382	10,658	127,861
Compensated absences	19,357	355	47,570
Liability for insurance claims	-	-	-
Total current liabilities	450,956	191,873	817,454
NONCURRENT LIABILITIES:			
Net pension liability	1,049,284	222,306	2,827,731
Compensated absences	150,899	35,185	471,506
Liability for insurance claims	-	-	-
Total liabilities	1,651,139	449,364	4,116,691
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows from pensions	1,188	252	3,201
	1,188	252	3,201
NET POSITION			
Net investment in capital assets	25,287,133	-	10,728,009
Unrestricted	23,388,654	804,069	7,811,895
Total net position	$ 48,675,787	$ 804,069	$ 18,539,904

Property/ Liability Loss	Health Claims	Total
$ 1,398,818	$ 5,062,351	$ 13,994,505
5,147,549	18,629,085	51,498,576
143,017	-	159,164
32,777	118,622	327,920
-	-	150
-	-	903,136
3,930	304,379	335,089
30,369	-	543,501
-	-	62,522
-	-	5,844,458
493,486	-	36,624,054
811	-	231,396
-	-	50,412,019
(494,297)	-	(57,159,307)
-	-	36,015,142
6,756,460	24,114,437	103,777,183
80,851	-	1,416,160
52,416	19,485	1,276,001
23,936	-	212,837
468	-	67,750
3,258,531	2,099,547	5,358,078
3,335,351	2,119,032	6,914,666
248,982	-	4,348,303
46,339	-	703,929
581,513	-	581,513
4,212,185	2,119,032	12,548,411
282	-	4,923
282	-	4,923
-	-	36,015,142
2,624,844	21,995,405	56,624,867
$ 2,624,844	$ 21,995,405	$ 92,640,009

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Equipment Maintenance	Municipal Warehouse	Technology Services
REVENUES:			
Charges for services	$ 15,772,489	$ 4,082,725	$ 16,176,173
Subrogation receipts	-	-	-
Miscellaneous	11,668	5,422	4,295
Total operating revenues	15,784,157	4,088,147	16,180,468
EXPENSES:			
Personnel services	2,440,581	564,277	6,027,024
Contractual services	1,313,552	36,035	8,413,326
Supplies	3,861,643	3,533,479	1,179,955
Claims expense	-	-	-
Depreciation	6,280,751	-	1,235,006
Miscellaneous	17,846	28,337	2,995
Total operating expenses	13,914,373	4,162,128	16,858,306
Operating income (loss)	1,869,784	(73,981)	(677,838)
NONOPERATING REVENUES (EXPENSES):			
Investment income	200,822	1,368	84,618
Gain (loss) on capital asset disposal	357,132	25,715	(614)
Intergovernmental revenues	750	-	155,119
Miscellaneous	1,341	-	48,428
Total nonoperating revenues	560,045	27,083	287,551
Income (loss) before transfers	2,429,829	(46,898)	(390,287)
Transfers in	173,756	-	-
Transfers out	-	-	(2,441,196)
Change in net position	2,603,585	(46,898)	(2,831,483)
Total net position-beginning as adjusted (Footnote C)	46,072,202	850,967	21,371,387
Total net position-ending	$ 48,675,787	$ 804,069	$ 18,539,904

Property/ Liability Loss	Health Claims	Total
$ 5,250,782	$ 28,621,148	$ 69,903,317
415,678	-	415,678
-	6,000	27,385
5,666,460	28,627,148	70,346,380
504,618	-	9,536,500
1,151,757	3,690,640	14,605,310
33,095	-	8,608,172
3,040,888	24,153,002	27,193,890
-	-	7,515,757
3,358	252	52,788
4,733,716	27,843,894	67,512,417
932,744	783,254	2,833,963
50,677	193,838	531,323
-	-	382,233
-	-	155,869
-	-	49,769
50,677	193,838	1,119,194
983,421	977,092	3,953,157
-	-	173,756
-	(3,000,000)	(5,441,196)
983,421	(2,022,908)	(1,314,283)
1,641,423	24,018,313	93,954,292
$ 2,624,844	$ 21,995,405	$ 92,640,009

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Equipment Maintenance	Municipal Warehouse	Technology Services
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	$ 16,039,172	$ 4,085,504	$ 16,180,468
Cash received from subrogation	-	-	-
Cash payments to suppliers for goods and services	(5,442,270)	(3,530,519)	(9,752,095)
Cash paid to or on behalf of employees for services	(2,503,467)	(577,051)	(6,212,203)
Net cash provided (used) by operating activities	8,093,435	(22,066)	216,170
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers to other funds	-	-	(2,441,196)
Transfers from other funds	173,756	-	-
Intergovernmental receipts	750	-	155,119
Net cash provided (used) by noncapital financing activities	174,506	-	(2,286,077)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(7,071,006)	-	(1,210,457)
Proceeds on sale of equipment	408,878	25,715	1,316
Proceeds from insurance damages	1,341	-	48,428
Net cash provided (used) by capital and related financing activities	(6,660,787)	25,715	(1,160,713)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	(19,175,320)	(228,005)	(8,318,617)
Proceeds from sales and maturities of investment securities	17,957,540	226,562	10,899,504
Interest on investments	187,229	1,285	97,509
Net cash provided (used) by investing activities	(1,030,551)	(158)	2,678,396
Net increase (decrease) in cash and cash equivalents	576,603	3,491	(552,224)
Cash and cash equivalents, beginning of year	4,634,185	58,518	2,812,763
Cash and cash equivalents, end of year	$ 5,210,788	$ 62,009	$ 2,260,539
Noncash disclosure:			
Increase (decrease) in fair value of investments	$ 7,624	$ 68	$ (3,498)

Property/ Liability Loss	Health Claims	Total
$ 5,132,967	$ 28,627,148	$ 70,065,259
415,678	-	415,678
(4,391,501)	(28,358,814)	(51,475,199)
(522,215)	-	(9,814,936)
634,929	268,334	9,190,802
-	(3,000,000)	(5,441,196)
-	-	173,756
-	-	155,869
-	(3,000,000)	(5,111,571)
-	-	(8,281,463)
-	-	435,909
-	-	49,769
-	-	(7,795,785)
(5,147,549)	(18,629,085)	(51,498,576)
4,662,219	20,843,102	54,588,927
46,071	201,159	533,253
(439,259)	2,415,176	3,623,604
195,670	(316,490)	(92,950)
1,203,148	5,378,841	14,087,455
$ 1,398,818	$ 5,062,351	$ 13,994,505
$ 2,323	$ 1,467	$ 7,984

(continued)

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
(continued)

	Equipment Maintenance	Municipal Warehouse	Technology Services
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	$ 1,869,784	$ (73,981)	$ (677,838)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	6,280,751	-	1,235,006
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	255,165	(2,376)	-
Other receivable	(150)	-	-
Prepaid items	(2,175)	-	28,029
Inventories	22,567	53,470	-
Pensions	(91,219)	(19,283)	(245,733)
Increase (decrease) in:			
Accounts payable	(269,621)	13,862	(183,848)
Accrued liabilities	9,039	1,921	16,428
Due to other funds	-	4,588	-
Compensated absences	19,294	(267)	44,126
Liability for insurance claims	-	-	-
Total adjustments	6,223,651	51,915	894,008
Net cash provided (used) by operating activities	$ 8,093,435	$ (22,066)	$ 216,170

Property/ Liability Loss	Health Claims	Total
$ 932,744	$ 783,254	$ 2,833,963
-	-	7,515,757
(117,815)	-	134,974
-	-	(150)
(54)	(43,643)	(17,843)
-	-	76,037
(21,592)	-	(377,827)
(26,119)	(96,398)	(562,124)
2,176	-	29,564
-	-	4,588
1,819	-	64,972
(136,230)	(374,879)	(511,109)
(297,815)	(514,920)	6,356,839
$ 634,929	$ 268,334	$ 9,190,802

Plano
City of Excellence

AGENCY FUNDS

DEVELOPERS' ESCROW FUND – to account for escrow received from developers. The escrow will be used for construction of improvements to be made by the City.

UNCLAIMED PROPERTY FUND – to account for assets under $100, which have been issued by the City but remain unclaimed. Disposition is made upon claim by rightful owners or escheatment to the State of Texas.

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF AGENCY FUNDS ASSETS AND LIABILITIES
AS OF SEPTEMBER 30, 2015

	Agency Funds		
	Developers' Escrow	Unclaimed Property	Total Agency Funds
ASSETS			
Cash and cash equivalents	$ 1,460,076	$ 18,849	$ 1,478,925
Investment pool	5,372,973	69,361	5,442,334
Accrued interest	34,213	442	34,655
Total Assets	6,867,262	88,652	6,955,914
LIABILITIES			
Developers' escrow liability	6,867,262	-	6,867,262
Unclaimed property payable	-	88,652	88,652
Total Liabilities	$ 6,867,262	$ 88,652	$ 6,955,914

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Balance September 30, 2014	Additions	Deductions	Balance September 30, 2015
Developers' Escrow				
ASSETS:				
Cash and cash equivalents	$ 553,668	$ 906,408	$ -	$ 1,460,076
Investments	2,145,471	3,227,502	-	5,372,973
Accrued interest receivable	12,964	21,249	-	34,213
Total Assets	$ 2,712,103	$ 4,155,159	$ -	$ 6,867,262
LIABILITIES:				
Developers' escrow liability	$ 2,712,103	$ 4,155,159	$ -	$ 6,867,262
	$ 2,712,103	$ 4,155,159	$ -	$ 6,867,262
Unclaimed Property				
ASSETS:				
Cash and cash equivalents	$ 17,949	$ 900	$ -	$ 18,849
Investments	69,552	-	191	69,361
Accrued interest receivable	420	22	-	442
Total Assets	$ 87,921	$ 922	$ 191	$ 88,652
LIABILITIES:				
Unclaimed property payable	$ 87,921	$ 922	$ 191	$ 88,652
Total Agency Funds				
ASSETS:				
Cash and cash equivalents	$ 571,617	$ 907,308	$ -	$ 1,478,925
Investments	2,215,023	3,227,502	191	5,442,334
Accrued interest receivable	13,384	21,271	-	34,655
Total Assets	$ 2,800,024	$ 4,156,081	$ 191	$ 6,955,914
LIABILITIES:				
Developers' escrow liability	$ 2,712,103	$ 4,155,159	$ -	$ 6,867,262
Unclaimed property payable	87,921	922	191	88,652
Total Assets	$ 2,800,024	$ 4,156,081	$ 191	$ 6,955,914

Plano
City of Excellence

COMPONENT UNIT

TIF EAST SIDE – organized to account for a tax increment financing unit for improvements related to the future development of East Plano.

CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNIT
AS OF SEPTEMBER 30, 2015

	TIF East Side
ASSETS	
Current:	
Cash and cash equivalents	$ 2,044,560
Investments	7,571,742
Noncurrent:	
Capital assets, net	2,921,432
Total assets	12,537,734
LIABILITIES	
Current:	
Accounts payable	16,700
Total liabilities	16,700
NET POSITION	
Net investment in capital assets	2,921,432
Restricted	9,599,602
Total net position	$ 12,521,034

CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	TIF East Side
EXPENSES	
Contractual services	$ 1,908,837
Total operating expenses	1,908,837
Operating loss	(1,908,837)
NONOPERATING REVENUES	
Property taxes	4,435,491
Total nonoperating revenues	4,435,491
NET INCOME	2,526,654
Change in net position	2,526,654
Total net position-beginning	9,994,380
Total net position-ending	$ 12,521,034

CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	TIF East Side
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash payments to suppliers for goods and services	$ (2,274,488)
Net cash used by operating activities	(2,274,488)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Property taxes	4,435,491
Net cash provided by noncapital financing activities	4,435,491
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets	(468,165)
Net cash provided (used) by operating and related financing activities	(468,165)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investment securities	(7,571,742)
Proceeds from sales and maturities of investment securities	6,301,562
Interest on investments	4,351
Net cash used by investing activities	(1,265,829)
Net increase in cash and cash equivalents	427,009
Cash and cash equivalents, beginning of year	1,617,551
Cash and cash equivalents, end of year	$ 2,044,560

CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED SEPTEMBER 30, 2015
(continued)

	TIF East Side
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating loss	$ (1,908,837)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Changes in assets and liabilities-	
Decrease in:	
Accounts payable	(365,651)
Total adjustments	(365,651)
Net cash used by operating activities	$ (2,274,488)

Plano
City of Excellence

STATISTICAL SECTION
(unaudited)

Tables in the statistical section present detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the overall financial health of the City.

	Pages
Financial Trends - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	112-117
Revenue Capacity - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	118-121
Debt Capacity - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	122-127
Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	128-129
Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	130-134

CITY OF PLANO, TEXAS
NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)

Table 1

	Fiscal Year									
	2015	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**
Governmental activities:										
Net investment in capital assets	$ 716,648,113	$ 695,615,093	$ 672,747,769	$ 663,420,473	$ 665,695,098	$ 663,597,387	$ 728,662,561	$ 700,704,326	$ 680,315,170	$ 650,438,402
Restricted	47,465,237	32,097,048	51,536,304	50,707,627	46,410,136	1,182,560	3,270,626	5,473,218	4,647,374	2,149,959
Unrestricted	179,758,472	215,051,526	194,617,363	185,546,080	162,537,262	165,352,118	72,524,094	78,416,391	78,312,580	75,071,790
Total governmental activities net position	943,871,822	942,763,667	918,901,436	899,674,180	874,642,496	830,132,065	804,457,281	784,593,935	763,275,124	727,660,151
Business-type activities:										
Net investment in capital assets	370,220,021	360,960,813	362,997,446	363,340,513	362,757,006	367,024,467	383,531,217	376,593,433	370,233,734	356,802,993
Restricted	2,377,534	2,242,278	2,375,886	2,671,383	2,514,172	2,639,954	3,911,737	6,588,596	4,735,897	6,532,464
Unrestricted	88,328,906	89,364,337	88,538,490	78,609,397	81,237,936	57,584,753	25,620,288	25,092,659	19,637,859	24,893,803
Total business-type activities net position	460,926,461	452,567,428	453,911,822	444,621,293	446,509,114	427,249,174	413,063,242	408,274,688	394,607,490	388,229,260
Primary government:										
Net investment in capital assets	1,086,868,134	1,056,575,906	1,035,745,215	1,026,760,986	1,028,452,104	1,030,621,854	1,112,193,778	1,077,297,759	1,050,548,904	1,007,241,395
Restricted	49,842,771	34,339,326	53,912,190	53,379,010	48,924,308	3,822,514	7,182,363	12,061,814	9,383,271	8,682,423
Unrestricted	268,087,378	304,415,863	283,155,853	264,155,477	243,775,198	222,936,871	98,144,382	103,509,050	97,950,439	99,965,593
Total primary government net position	$ 1,404,798,283	$ 1,395,331,095	$ 1,372,813,258	$ 1,344,295,473	$ 1,321,151,610	$ 1,257,381,239	$ 1,217,520,523	$ 1,192,868,623	$ 1,157,882,614	$ 1,115,889,411

Source: Comprehensive Annual Financial Report

CITY OF PLANO, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)

Table 2

	Fiscal Year									
	2015	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**
Expenses										
Governmental activities:										
General government	$ 27,636,869	$ 22,837,719	$ 22,902,283	$ 23,945,434	$ 17,854,055	$ 18,468,819	$ 14,360,212	$ 9,052,498	$ 12,820,474	$ 12,869,160
Administrative services	9,555,715	9,004,302	8,715,712	7,925,435	7,595,755	7,799,815	8,294,111	8,423,416	7,814,137	7,249,106
Police	74,607,299	73,546,241	70,839,690	68,056,743	66,433,966	66,061,326	65,225,173	68,433,179	60,136,573	52,661,945
Fire	51,268,423	50,822,815	48,085,904	45,660,603	44,652,064	43,654,787	44,279,959	44,201,284	39,368,057	40,171,670
Libraries	10,646,832	11,152,367	10,268,273	9,765,576	10,136,834	10,295,418	11,104,945	11,765,263	10,560,624	9,616,271
Development	33,116,211	35,304,179	28,041,761	24,286,697	24,693,554	18,945,171	19,929,365	20,447,190	19,508,839	18,482,899
Public services and operations	6,575,756	7,350,378	6,372,030	5,469,346	5,602,338	5,662,869	5,645,771	5,402,333	5,213,097	5,069,129
Parks and recreation	30,933,825	32,444,929	28,605,874	26,999,247	25,773,639	27,219,522	26,170,315	26,134,622	22,645,606	20,491,397
Public works	30,531,725	29,653,914	31,256,009	32,261,282	30,868,916	34,002,485	28,025,006	27,944,393	26,677,227	25,864,753
Technology services	18,193,965	17,035,972	15,485,073	14,144,322	14,738,189	13,806,148	14,008,840	13,686,048	12,951,258	11,113,407
Other	-	-	-	-	-	1,963,496	5,480,962	7,401,221	6,577,443	858,379
Interest on Long-Term Debt	8,887,609	11,454,975	16,606,292	13,546,098	13,821,383	14,089,411	14,640,081	14,625,019	12,503,580	12,009,766
Unallocated depreciation	-	-	-	-	-	111,959	96,934	102,199	100,907	93,337
Total governmental activities expenses	301,954,229	300,607,791	287,178,901	272,060,783	262,170,693	262,081,226	257,261,674	257,618,665	236,877,822	216,551,219
Business-type activities:										
Water and sewer	117,747,963	113,527,471	108,229,423	108,565,144	101,645,618	97,546,366	96,352,987	83,264,179	78,413,719	79,400,088
Environmental waste services	22,043,523	22,664,437	22,343,541	23,342,162	23,431,488	21,163,351	21,354,795	21,863,854	19,298,289	18,346,330
Municipal drainage	4,613,572	4,576,230	4,475,248	4,223,993	3,952,974	4,051,080	3,843,011	3,530,079	3,429,488	3,118,453
Plano centre	9,093,255	6,547,215	6,287,787	6,098,248	5,889,739	6,393,145	7,331,173	7,311,505	6,416,054	5,751,129
Municipal golf course	1,789,341	1,017,816	1,021,602	965,133	231,640	718,046	870,436	1,000,257	885,158	935,483
Property management	-	-	-	-	-	59,678	32,053	39,291	78,759	25,940
Recreation revolving	3,349,987	3,215,117	3,326,229	3,226,272	3,176,716	3,216,311	3,191,594	3,096,166	2,642,687	2,436,064
Downtown center development	11,726	28,931	9,893	9,327	55,683	47,918	47,917	46,176	46,784	43,356
Total business-type activities expenses	158,649,367	151,577,217	145,693,723	146,430,279	138,383,858	133,195,895	133,023,966	120,151,507	111,210,938	110,056,843
Total primary government expenses	$ 460,603,596	$ 452,185,008	$ 432,872,624	$ 418,491,062	$ 400,554,551	$ 395,277,121	$ 390,285,640	$ 377,770,172	$ 348,088,760	$ 326,608,062
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 6,551,280	$ 6,152,383	$ 5,913,645	$ 5,561,420	$ 4,739,503	$ 1,394,826	$ 994,964	$ 1,634,183	$ 1,009,164	$ 1,056,168
Administrative services	21,428	5,296	11,515	8,200	-	-	-	-	-	-
Police	17,361,393	16,615,952	16,518,724	16,242,970	15,458,080	15,429,740	15,344,518	12,939,924	12,413,238	12,839,712
Fire	5,496,159	4,898,085	4,549,906	4,461,129	3,630,026	3,882,667	4,161,383	3,801,412	3,446,175	3,396,538
Libraries	339,198	432,864	467,501	449,743	473,956	500,514	545,755	453,572	496,697	478,457
Development	10,206,808	6,492,386	6,129,225	5,274,987	4,833,730	3,990,274	3,175,176	4,686,571	5,124,766	7,038,776
Public services and operations	1,494,484	1,448,584	1,473,792	1,431,446	1,319,479	1,333,016	1,277,357	1,150,449	1,016,193	1,005,080
Parks and recreation	4,668,090	4,423,381	4,534,559	4,528,827	4,179,352	4,058,923	3,952,244	3,685,465	2,357,306	2,629,899
Public works	39,452	48,710	112,267	175,256	194,348	247,408	40,592	104,028	84,217	93,534
Technology services	3,297,065	3,044,377	2,930,541	2,796,312	2,626,768	2,870,243	2,882,354	2,590,036	2,459,419	2,315,210
Operating grants and contributions	18,586,476	15,264,041	14,058,293	10,244,037	5,624,013	6,858,965	7,430,737	4,773,881	4,592,308	9,695,987
Capital grants and contributions	19,043,456	11,542,543	8,576,392	5,158,140	13,736,398	20,765,810	10,939,098	9,654,400	13,499,864	16,672,181
Total governmental activities program revenues	87,105,289	70,368,602	65,276,360	56,332,467	56,815,653	61,332,386	50,744,178	45,473,921	46,499,347	57,221,542

CITY OF PLANO, TEXAS
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)

Table 2
(continued)

	Fiscal Year									
	2015	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**
Business-type activities:										
Charges for services:										
Water and sewer	$ 132,067,317	$ 114,554,767	$ 121,115,371	$ 114,415,670	$ 128,109,639	$ 116,516,442	$ 108,076,125	$ 100,049,904	$ 83,598,039	$ 90,197,835
Environmental waste services	16,168,862	16,147,526	16,403,721	16,096,610	16,368,530	15,616,880	15,101,758	14,772,782	14,196,523	12,784,020
Municipal drainage	7,163,876	7,400,810	6,292,462	5,208,675	5,228,986	5,161,087	5,050,406	4,995,106	4,986,648	4,918,531
Civic center	2,214,354	1,727,103	1,759,911	1,812,576	1,822,231	2,180,520	2,439,129	2,693,882	2,589,358	2,414,989
Municipal golf course	954,645	965,465	994,125	933,533	65,906	600,919	792,753	846,096	823,353	907,325
Property management	-	-	-	-	9,967	7,594	42,309	72,567	81,587	85,789
Recreation revolving	3,635,336	3,773,493	3,820,358	3,870,482	3,347,434	3,545,142	3,325,754	3,080,725	2,765,100	2,656,865
Downtown center development	147,789	93,896	67,928	67,828	68,128	68,128	68,127	68,127	68,127	68,127
Operating grants and contributions	60,980	-	358,588	1,070,468	1,568,388	60,194	339,804	60,609	289,052	22,828
Capital grants and contributions	5,548,273	3,463,123	4,254,902	2,078,980	1,377,582	3,721,845	5,128,295	7,354,169	7,991,489	10,048,819
Total business-type activities program revenues	167,961,432	148,126,183	155,067,366	145,554,822	157,966,791	147,478,751	140,364,460	133,993,967	117,389,276	124,105,128
Total primary government program revenues	$ 255,066,721	$ 218,494,785	$ 220,343,726	$ 201,887,289	$ 214,782,444	$ 208,811,137	$ 191,108,638	$ 179,467,888	$ 163,888,623	$ 181,326,670
Net (expense) revenue										
Governmental activities	(214,848,940)	(230,239,189)	(221,902,541)	(215,728,316)	(205,355,040)	(200,748,840)	(206,517,496)	(212,144,744)	(190,378,475)	(159,329,677)
Business-type activities	9,312,065	(3,451,034)	9,373,643	(875,457)	19,582,933	14,282,856	7,340,494	13,842,460	6,178,338	14,048,285
Total primary government net (expense)	$ (205,536,875)	$ (233,690,223)	$ (212,528,898)	$ (216,603,773)	$ (185,772,107)	$ (186,465,984)	$ (199,177,002)	$ (198,302,284)	$ (184,200,137)	$ (145,281,392)
General revenues and transfers										
Governmental activities:										
Property taxes	$ 150,960,855	$ 140,180,751	$ 133,922,409	$ 130,761,336	$ 128,274,660	$ 129,741,125	$ 127,265,332	$ 123,054,998	$ 114,157,316	$ 104,809,088
Sales taxes	76,326,156	74,468,963	68,831,243	70,355,058	62,441,697	58,652,787	56,064,538	62,122,119	61,573,210	65,320,897
Mixed drink taxes	1,761,817	1,659,703	1,277,913	1,061,390	1,140,818	1,103,815	997,051	1,003,932	983,663	814,346
Other taxes	131,642	164,195	398,357	167,773	206,389	77,968	118,580	360,115	225,445	215,439
Franchise fees	25,341,454	24,332,547	23,283,089	22,668,521	23,220,388	22,361,082	23,995,388	23,022,217	22,463,447	22,114,560
Investment income	3,096,190	1,396,949	973,519	2,926,435	4,756,044	3,473,366	4,632,949	10,683,028	13,985,970	9,914,048
Transfers	10,491,502	11,898,312	12,443,267	12,819,487	29,825,475	11,013,481	13,307,004	13,217,146	12,604,397	11,907,529
Total governmental activities	268,109,616	254,101,420	241,129,797	240,760,000	249,865,471	226,423,624	226,380,842	233,463,555	225,993,448	215,095,907
Business-type activities:										
Hotel/Motel tax	7,342,639	5,984,727	5,095,504	4,669,257	4,722,431	4,098,810	3,951,890	4,909,061	4,741,492	4,416,422
Franchise fees	7,957,587	7,570,258	7,068,059	6,498,108	6,761,347	6,286,201	6,198,973	6,721,464	6,259,512	5,876,771
Investment income	544,194	449,967	196,590	639,758	795,789	531,546	604,201	1,411,359	1,803,285	1,882,100
Transfers	(10,491,502)	(11,898,312)	(12,443,267)	(12,819,487)	(12,602,560)	(11,013,481)	(13,307,004)	(13,217,146)	(12,604,397)	(11,907,529)
Total business-type activities	5,352,918	2,106,640	(83,114)	(1,012,364)	(322,993)	(96,924)	(2,551,940)	(175,262)	199,892	267,764
Total primary government	$ 273,462,534	$ 256,208,060	$ 241,046,683	$ 239,747,636	$ 249,542,478	$ 226,326,700	$ 223,828,902	$ 233,288,293	$ 226,193,340	$ 215,363,671
Change in net position										
Governmental activities	$ 53,260,676	$ 23,862,231	$ 19,227,256	$ 25,031,684	$ 44,510,431	$ 25,674,784	$ 19,863,346	$ 21,318,811	$ 35,614,973	$ 55,766,230
Business-type activities	14,664,983	(1,344,394)	9,290,529	(1,887,821)	19,259,940	14,185,932	4,788,554	13,667,198	6,378,230	14,316,049
Total primary government	$ 67,925,659	$ 22,517,837	$ 28,517,785	$ 23,143,863	$ 63,770,371	$ 39,860,716	$ 24,651,900	$ 34,986,009	$ 41,993,203	$ 70,082,279

Source: Comprehensive Annual Financial Report

CITY OF PLANO, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

Table 3

	Fiscal year									
	2015	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**
General Fund										
Nonspendable	$ 506,576	$ 793,454	$ 152,616	$ 189,920	$ 176,588	$ 2,321,839	$ 6,976,517	$ 6,678,087	$ 7,015,867	$ 7,539,035
Assigned	5,308,518	4,617,229	3,467,826	2,579,810	3,110,127	4,604,162	4,055,302	2,683,725	1,566,433	2,776,694
Unassigned	45,788,922	45,914,135	52,689,982	50,197,033	41,547,010	34,474,576	31,712,311	35,379,734	37,101,360	38,488,933
Total general fund	$ 51,604,016	$ 51,324,818	$ 56,310,424	$ 52,966,763	$ 44,833,725	$ 41,400,577	$ 42,744,130	$ 44,741,546	$ 45,683,660	$ 48,804,662
All Other Governmental Funds										
Nonspendable	$ 200,110	$ 64,510	$ 22,830	$ 905	$ 4,405	$ -	$ 2,680	$ 6,195	$ 2,702	$ 4,490
Restricted	83,521,364	87,225,859	94,919,165	93,888,376	80,004,218	61,975,246	85,435,605	74,471,250	56,380,230	35,828,799
Committed	41,176,158	34,066,858	26,320,350	20,280,369	16,052,538	-	-	-	-	-
Assigned	96,276,903	86,964,225	69,940,931	63,918,355	59,782,814	71,516,720	61,199,709	76,924,976	61,357,467	73,919,423
Unassigned	(441,228)	-	-	-	-	(374,071)	-	-	-	-
Total all other governmental funds	$ 220,733,307	$ 208,321,452	$ 191,203,276	$ 178,088,005	$ 155,843,975	$ 133,117,895	$ 146,637,994	$ 151,402,421	$ 117,740,399	$ 109,752,712

Source: Comprehensive Annual Financial Report

CITY OF PLANO, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS **Table 4**
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

	Fiscal year									
	2015	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**
Revenues:										
Taxes:										
Property taxes	$ 139,784,392	$ 130,387,583	$ 124,453,986	$ 121,496,666	$ 117,691,853	$ 121,312,517	$ 119,568,563	$ 114,494,640	$ 107,059,153	$ 97,121,351
Other taxes	78,708,945	75,793,144	70,185,140	71,089,176	63,851,345	59,176,584	57,577,341	63,266,376	63,425,218	59,581,037
Franchise fees	24,452,648	23,469,220	22,455,605	21,895,025	22,770,634	21,886,667	23,586,443	22,628,847	22,039,441	21,720,865
Fines and forfeitures	17,004,610	12,381,098	11,584,047	12,111,722	10,949,125	10,912,913	10,982,616	9,167,406	9,822,913	10,125,683
Contributions	14,451,847	14,386,075	7,912,545	7,195,450	7,161,721	10,691,912	5,206,878	3,845,932	306,924	1,081,788
Rollback taxes	1,705,253	593,756	704,467	896,012	172,594	63,296	263,577	1,134,487	1,172,609	735,757
Licenses and permits	11,521,327	8,464,559	8,514,993	6,976,693	6,619,204	5,763,535	4,786,291	5,235,695	5,524,955	6,800,126
Intragovernmental	9,073,068	8,839,577	9,246,857	8,354,150	8,879,036	8,211,958	7,739,588	7,276,212	6,399,935	6,592,673
Intergovernmental	8,762,083	6,861,157	8,378,604	5,695,397	12,269,550	7,236,142	7,118,445	3,432,643	3,915,812	8,744,104
Fees for services	17,235,709	16,093,966	15,626,146	15,654,770	13,535,139	13,769,089	13,808,677	13,488,581	10,476,645	11,177,263
Assessments	4,555	-	13,512	56,776	157,805	88,375	10,094	25,465	99,741	443,672
Investment income	2,566,239	539,548	803,395	2,323,962	3,932,542	2,884,604	3,988,091	8,420,799	10,779,409	7,777,156
Proceeds from sale of capital assets	-	-	-	-	-	-	2,456,619	-	-	-
Miscellaneous	2,688,796	2,409,120	2,715,685	1,574,428	1,292,782	1,398,742	-	1,909,910	1,407,342	4,865,976
Total revenues	$ 327,959,472	$ 300,218,803	$ 282,594,982	$ 275,320,227	$ 269,283,330	$ 263,396,334	$ 257,093,223	$ 254,326,993	$ 242,430,097	$ 236,767,451
Expenditures:										
Current:										
General government	$ 28,745,531	$ 23,153,000	$ 22,100,556	$ 23,684,196	$ 21,355,266	$ 392,129	$ 613,652	$ 878,675	$ 1,255,206	$ 1,309,980
Administrative services	9,671,352	9,075,852	8,429,725	7,998,091	7,978,998	7,901,744	8,239,334	8,208,019	7,916,611	7,282,215
Police	76,345,150	72,624,201	69,419,105	66,547,202	65,618,061	65,289,730	63,987,283	61,831,212	59,114,102	53,618,495
Fire	51,601,545	48,671,045	45,723,609	44,454,375	43,239,799	42,984,135	43,080,441	41,361,437	39,096,906	40,124,063
Libraries	9,894,090	9,807,337	9,163,013	9,146,500	9,392,127	9,926,819	10,314,568	10,467,040	10,139,905	9,238,861
Development	33,168,506	35,721,485	27,163,001	24,417,148	24,830,560	19,694,309	19,924,444	19,635,957	19,644,186	18,420,446
Public services and operations	6,603,174	7,293,539	6,204,948	5,515,414	5,653,648	5,634,193	5,757,144	5,377,281	5,403,953	5,063,124
Parks and recreation	21,730,109	20,362,792	19,376,076	18,729,207	18,792,674	19,909,716	21,407,832	20,681,818	18,785,397	16,709,740
Environmental waste services	51,856	-	664,613	875,569	1,284,956	88,202	300,339	53,576	258,275	19,845
Public works	5,945,885	5,817,124	5,931,011	5,327,481	5,538,454	5,592,600	5,840,246	5,820,027	5,764,590	5,273,610
Technology services	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-
Other	-	-	-	-	-	27,809,863	27,609,726	27,266,420	26,335,719	18,381,077
Capital outlay	79,259,135	44,164,938	45,403,651	33,542,010	47,374,962	64,827,368	60,362,017	54,679,984	68,000,143	49,933,401
Interest and fiscal charges	273,480	100,335	175,051	105,385	-	-	-	-	-	-
Debt service:										
Principal retirement	29,430,000	28,135,000	30,335,000	28,990,000	28,405,000	27,650,000	25,645,000	23,510,000	21,020,000	20,510,000
Interest and fiscal charges	12,398,406	13,015,703	13,902,230	14,219,545	14,128,251	14,553,158	15,037,063	14,598,200	12,837,888	12,154,302
Total expenditures	$ 366,118,219	$ 318,942,351	$ 304,991,589	$ 284,552,123	$ 294,592,756	$ 312,253,966	$ 308,119,089	$ 294,369,646	$ 295,572,881	$ 258,039,159
Deficiency of revenues over expenditures	$ (38,158,747)	$ (18,723,548)	$ (22,396,607)	$ (9,231,896)	$ (25,309,426)	$ (48,857,632)	$ (51,025,866)	$ (40,042,653)	$ (53,142,784)	$ (21,271,708)

CITY OF PLANO, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

Table 4
(continued)

	Fiscal year									
	2015	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**
Other financing sources:										
Proceeds from sale of bonds	$ 30,130,000	$ 20,680,000	$ 22,175,000	$ 25,860,000	$ 21,400,000	$ 22,615,000	$ 29,315,000	$ 58,370,000	$ 46,675,000	$ 44,690,000
Bond proceeds-refunding	51,300,000	8,645,000	39,750,000	20,540,000	-	16,633,613	12,370,000	-	-	-
Premium on sale of bonds	10,503,390	952,750	11,439,780	3,820,972	114,918	444,228	250,350	925,415	1,162,822	1,615,017
Discount on sale of bonds	-	-	-	(253,786)	-	-	-	-	-	(350,017)
Escrow payment-refunding	(57,298,532)	(11,373,354)	(48,059,266)	(22,783,832)	-	(16,777,204)	(12,428,331)	-	-	-
Sale of land	456,000	-	144,020	-	-	426,129	-	-	-	-
Disbursements from component unit	-	-	-	-	1,793,418	-	-	-	-	-
Transfer of assets from Plano Economic Development Board	-	-	-	-	16,052,538	-	-	-	-	-
Operating transfers in	38,735,713	33,629,949	26,993,051	23,893,031	24,366,126	21,898,253	25,390,773	24,276,733	23,414,508	23,687,190
Operating transfers out	(22,976,771)	(21,678,227)	(13,587,046)	(11,467,421)	(11,762,012)	(11,246,039)	(10,633,769)	(10,809,587)	(13,242,861)	(15,156,161)
Total other financing sources	$ 50,849,800	$ 30,856,118	$ 38,855,539	$ 39,608,964	$ 51,964,988	$ 33,993,980	$ 44,264,023	$ 72,762,561	$ 58,009,469	$ 54,486,029
Net change in fund balances	$ 12,691,053	$ 12,132,570	$ 16,458,932	$ 30,377,068	$ 26,655,562	$ (14,863,652)	$ (6,761,843)	$ 32,719,908	$ 4,866,685	$ 33,214,321
Debt service as a percentage of noncapital expenditures	14.6%	15.0%	17.1%	17.2%	17.2%	17.1%	16.4%	15.9%	14.9%	15.7%

CITY OF PLANO, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(unaudited)

Table 5

Fiscal Year	Estimated Market Value: Real Property Residential	Estimated Market Value: Real Property Non-Residential	Estimated Market Value: Non-Real Property Personal	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2006	16,979,745,491	6,758,241,962	2,255,993,450	4,344,715,518	21,649,265,385	0.4535
2007	17,812,371,500	7,138,331,140	2,375,828,520	4,497,389,848	22,829,141,312	0.4735
2008	18,954,823,683	7,727,575,850	2,462,948,501	4,633,847,568	24,511,500,466	0.4735
2009	20,436,560,005	8,494,498,706	2,836,955,143	5,982,698,546	25,785,315,308	0.4735
2010	20,331,824,829	8,516,248,849	2,669,986,601	6,010,842,123	25,507,218,156	0.4886
2011	20,081,379,973	7,798,953,065	2,648,600,517	5,848,034,850	24,680,898,705	0.4886
2012	20,038,395,317	8,054,393,555	2,740,588,934	5,819,334,127	25,014,043,679	0.4886
2013	20,614,106,560	8,261,636,814	2,793,315,064	6,021,553,525	25,647,504,913	0.4886
2014	21,311,000,073	8,823,285,904	2,991,385,705	6,200,498,251	26,925,173,431	0.4886
2015	23,162,425,188	9,484,172,986	3,226,199,045	7,039,911,544	28,832,885,675	0.4886

Source: City of Plano Budget Department and Collin County Central Appraisal District based on original tax roll.
Note: Real, Personal and Tax-Exempt breakout of Net Adjustments provided by Kenneth L. Maun, Tax Assessor/Collector, is unavailable.

CITY OF PLANO, TEXAS
PROPERTY TAX RATES/ASSESSMENT RATIOS -
ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(unaudited)

Table 6

	City of Plano				Plano School District		Allen School District		Collin County		Frisco School District		Lewisville School District		Denton County		Collin College	
Fiscal Year (1)	General Fund	Debt Service Fund	Rate	Assess-ment Ratio	Rate	Assess-ment Ratio	Rate	Assess-ment Ratio	Rate	Assess-ment Ratio	Rate	Assess-ment Ratio	Rate	Assess-ment Ratio	Rate	Assess-ment Ratio	Rate	Assess-ment Ratio
2006	0.2888	0.1647	0.4535	100	1.7334	100	1.91	100	0.250	100	1.580	100	1.7700	100	0.2460	100	0.0890	100
2007	0.3080	0.1655	0.4735	100	1.5784	100	1.78	100	0.245	100	1.580	100	1.6400	100	0.2320	100	0.0880	100
2008	0.3210	0.1525	0.4735	100	1.2680	100	1.47	100	0.245	100	1.350	100	1.3800	100	0.2360	100	0.0800	100
2009	0.3268	0.1467	0.4735	100	1.3030	100	1.47	100	0.243	100	1.370	100	1.3800	100	0.2360	100	0.0860	100
2010	0.3284	0.1602	0.4886	100	1.3284	100	1.54	100	0.243	100	1.390	100	1.4087	100	0.2500	100	0.0860	100
2011	0.3135	0.1751	0.4886	100	1.3534	100	1.54	100	0.240	100	1.390	100	1.4267	100	0.2739	100	0.0863	100
2012	0.3149	0.1737	0.4886	100	1.3734	100	1.67	100	0.240	100	1.420	100	1.4260	100	0.2774	100	0.0863	100
2013	0.3192	0.1694	0.4886	100	1.3734	100	1.67	100	0.240	100	1.460	100	1.4530	100	0.2829	100	0.0836	100
2014	0.3296	0.1590	0.4886	100	1.4530	100	1.67	100	0.235	100	1.460	100	1.4770	100	0.2849	100	0.0836	100
2015	0.3438	0.1448	0.4886	100	1.4390	100	1.64	100	0.225	100	1.460	100	1.4770	100	0.2849	100	0.0820	100

(1) For School Districts, fiscal years ended on August 31 and include the County Education District tax rate.

NOTE: Property tax rates are levied per $100 assessed valuation.

Sources: Representatives of the various taxing jurisdictions.

CITY OF PLANO, TEXAS
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(unaudited)

Table 7

Name of Taxpayer	2015 Taxable Assessed Valuation	2015 Rank	2015 Percentage of Total Taxable Assessed Valuation	2006 Taxable Assessed Valuation	2006 Rank	2006 Percentage of Total Taxable Assessed Valuation
Oncor Electric Delivery Company	$ 212,619,887	1	0.73%			
TM Willow Bend Shops LP	200,800,000	2	0.69%			
J C Penney Corporation Inc	165,336,836	3	0.57%			
HP Enterprise Services LLC	146,470,263	4	0.50%			
HSP Of Texas Inc	142,050,006	5	0.49%	62,722,157	10	0.29%
Legacy Campus LP	139,950,145	6	0.48%			
T5@Dallas LLC	125,500,000	7	0.43%			
Bank Of America NA	120,500,000	8	0.41%			
KBSIII Legacy Town Center LLC	114,974,237	9	0.40%			
United Dominion Realty LP	110,031,618	10	0.38%			
TXU Electric Delivery Company				176,546,432	1	0.81%
J C Penney Co Inc #9900-2				163,857,633	2	0.75%
Electronic Data Systems Corporation				134,115,136	3	0.62%
Willow Bend Shopping Center LP				120,000,004	4	0.55%
Alcatel USA Sourcing LP				116,760,944	5	0.54%
Tollway/121 Partners LTD				95,603,795	6	0.44%
Collin Creek Mall LP				76,487,218	7	0.35%
Texas Instruments Inc				70,915,159	8	0.33%
Dallas Morning News LP				69,258,840	9	0.32%
	$ 1,478,232,992		5.08%	$ 1,086,267,318		5.00%

Source: Collin County Appraisal District

CITY OF PLANO, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(unaudited)

Table 8

Fiscal Year		Total Tax Levy	Collection Current Year's Taxes During Period	Collections Transferred to TIF Component Units	Total Current Year Collections	Percent of Levy Collected During Fiscal Period	Collections in Subsequent Years	Total Tax Collections	Accumulated Delinquent Taxes	Ratio of Total Tax Collections to Current Levy
2006		98,580,157	95,754,030	1,588,800	97,342,830	98.7	1,138,088	98,480,918	91,467	99.90
2007		108,186,053	105,461,839	1,870,213	107,332,052	99.2	748,210	108,080,262	99,239	99.90
2008		116,214,292	113,215,333	2,127,954	115,343,287	99.3	696,257	116,039,544	105,791	99.85
2009		121,434,014	118,459,942	2,205,306	120,665,248	99.4	525,577	121,190,825	174,748	99.80
2010		123,231,506	120,537,005	1,976,550	122,513,555	99.42	516,708	123,030,263	243,189	99.84
2011	*	119,311,553	117,076,366	1,740,962	118,817,328	99.59	244,294	119,061,622	201,243	99.79
2012		121,179,947	120,112,398	682,096	120,794,494	99.68	51,341	120,845,835	249,931	99.72
2013		124,539,135	123,491,655	765,800	124,257,455	99.77	-	124,257,455	334,112	99.77
2014		130,892,241	129,629,986	765,689	130,395,675	99.62	-	130,395,675	495,813	99.62
2015		139,575,321	137,952,646	866,051	138,818,697	99.46	-	138,818,697	730,564	99.46

* 2011 Total Levy has been reduced by $29,552 refund for tax abatement.

CITY OF PLANO, TEXAS **Table 9**
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(unaudited)

	Governmental Activities	Business-Type Activities				
Fiscal Year	General Obligation Bonds, Certificates of Obligation, Tax Anticipation Notes	Water and Sewer Revenue Bonds	Municipal Drainage Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
2006	287,619,422	10,472,042	22,078,478	320,169,942	3.37	1,260
2007	310,825,564	8,030,000	22,805,443	341,661,007	3.33	1,326
2008	344,466,792	5,750,000	23,482,263	373,699,055	3.44	1,429
2009	349,122,792	3,895,000	23,834,830	376,852,622	3.49	1,426
2010	342,254,729	1,955,000	26,060,884	370,270,613	3.77	1,397
2011	334,358,571	695,000	24,200,916	359,254,487	3.53	1,370
2012	332,298,643	365,000	22,210,947	354,874,590	3.49	1,345
2013	330,423,813	-	20,150,978	350,574,791	3.19	1,318
2014	319,362,268	-	18,016,010	337,378,278	3.06	1,249
2015	322,852,271	-	16,367,610	339,219,881	2.92	1,240

Note: See Table 15 for personal income and population data.

CITY OF PLANO, TEXAS **Table 10**
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year	General Obligation Bonds, Certificates of Obligation, Tax Anticipation Notes	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2005	266,227,097	1,937,365	264,289,732	1.21	1,014
2006	287,619,422	2,171,565	285,447,857	1.25	1,073
2007	310,825,564	4,754,700	306,070,864	1.26	1,116
2008	344,466,792	3,250,126	341,216,666	1.26	1,179
2009	349,122,792	5,491,973	343,630,819	1.20	1,162
2010	342,254,729	1,175,155	341,079,574	1.17	1,126
2011	334,358,571	2,035,641	332,322,930	1.23	1,133
2012	332,298,643	2,224,744	330,073,899	1.20	1,134
2013	330,423,813	1,573,430	328,850,383	1.16	1,112
2014	319,362,268	3,340,771	316,021,495	1.08	1,075
2015	322,852,271	3,701,797	319,150,474	1.01	1,050

Note: See Table 5 for property value data.
Note: See Table 15 for population data.

CITY OF PLANO, TEXAS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2015
(unaudited)

Table 11

Taxing Body	Debt Outstanding	Percentage of Debt Applicable to Area	City of Plano Share of Debt
City of Plano	$ 319,150,474	100.00%	$ 319,150,474
Total direct debt	**319,150,474**		**319,150,474**
Plano Independent School District	889,853,678	69.81%	621,206,853
Collin County	31,787,200	33.38%	10,610,567
Denton County	634,275,000	1.58%	10,021,545
Frisco Independent School District	1,917,140,546	13.45%	257,855,403
Allen Independent School District	506,009,127	0.65%	3,289,059
Lewisville Independent School District	1,177,472,052	3.91%	46,039,157
Collin College	31,787,200	33.38%	10,610,567
Total overlapping debt	**5,188,324,803**		**959,633,151**
Total direct and overlapping bonded debt	**$ 5,507,475,277**		**$ 1,278,783,625**
Ratio of overlapping bonded debt to taxable assessed valuation (valued at 100% of market value)			4.47%
Per capita overlapping bonded debt			$ 4,674

Sources: For net bonded debt, representatives (business manager or finance officer) of the taxing jurisdictions. For percentage of debt applicable to City, the Municipal Advisory Council of Texas.

CITY OF PLANO, TEXAS **Table 12**
COMPUTATION OF LEGAL DEBT MARGIN
SEPTEMBER 30, 2015
(unaudited)

As a home rule city, the City of Plano is not limited by the law in the amount of debt it may issue. The City's Charter (Section 9.18) states

> The City Council shall have the power under the provisions of the state law to levy, assess and collect an annual tax upon real and personal property within the City to the maximum provided by the Constitution and the general laws of the State of Texas. The City Council shall also have the power to levy occupation taxes on such occupations as consistent with the general laws of the State of Texas.

Article II, Section 5 of the State of Texas Constitution states in part:

> ...but no tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half percent of the taxable property of such city.

The tax rate at October 1, 2014 is $0.4886 per $100.00 with assessed valuation at 100% of market value.

CITY OF PLANO, TEXAS **Table 13**
SCHEDULE OF REVENUE BOND COVERAGE - WATER AND SEWER BONDS
LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year	Total Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Average Annual Debt Service Requirements			
				Principal	Interest	Total	Coverage
2006	89,735,898	61,879,529	27,856,369	1,322,784	218,834	1,541,618	18.07
2007	83,223,811	61,514,435	21,709,376	1,357,183	143,305	1,500,488	14.47
2008	99,931,712	64,224,159	35,707,553	1,169,492	107,551	1,277,043	27.96
2009	107,388,857	77,222,182	30,166,675	994,468	73,915	1,068,383	28.24
2010	116,274,847	77,198,970	39,075,877	670,286	40,269	710,555	54.99
2011	127,990,851	80,214,600	47,776,251	362,609	22,122	384,731	124.18
2012	114,265,966	87,746,758	26,519,208	398,182	15,927	414,109	64.04
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: Direct operating expense excludes depreciation and charges in lieu of taxes.

Note: Water and sewer bonds were paid off in fiscal year 2013.

CITY OF PLANO, TEXAS **Table 14**
SCHEDULE OF REVENUE BOND COVERAGE - MUNICIPAL DRAINAGE BONDS
LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year	Gross Revenue	Operating and Maintenance Expense	Gross Revenues Times Expense	Average Annual Debt Service Requirement			
				Principal	Interest	Total	Coverage
2006	5,620,198	2,062,502	2.72	1,086,500	392,652	1,479,152	2.41
2007	5,590,039	2,099,427	2.66	1,123,750	397,823	1,521,573	2.29
2008	5,490,072	2,248,948	2.44	1,158,500	403,715	1,562,215	2.07
2009	5,250,108	2,444,101	2.15	1,250,250	436,656	1,686,906	1.66
2010	5,331,169	2,475,433	N/A	1,282,500	421,898	1,704,398	1.68
2011	5,432,677	2,411,295	N/A	1,253,421	387,407	1,640,828	1.84
2012	5,334,131	2,615,205	N/A	1,213,889	356,451	1,570,340	1.73
2013	6,327,655	2,524,631	N/A	1,165,588	325,751	1,491,339	2.55
2014	7,475,077	2,852,291	N/A	1,106,563	295,615	1,402,178	3.30
2015	7,256,952	3,283,816	N/A	1,053,667	230,741	1,284,408	3.09

NOTE: 1995 is the first Fiscal Year of coverage for the bonds. Bond ordinance requires that revenues are at least 1.25 times the average annual debt service for all outstanding bonds.
Beginning in Fiscal Year 2010, the City no longer has the requirement related to gross revenues times expense.

CITY OF PLANO, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(unaudited)

Table 15

DEMOGRAPHICS					
Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	PISD School Enrollment	Unemployment Rate (%)
2005	248,912	8,535,705	34,292	51,446	4.4
2006	254,082	9,491,143	37,355	53,181	4.0
2007	257,600	10,250,853	39,794	52,997	3.9
2008	261,500	10,861,901	41,537	53,683	4.8
2009	264,250	10,813,110	40,920	54,203	7.6
2010	265,000	9,813,480	37,032	54,939	7.0
2011	262,200	10,167,592	38,778	55,570	7.4
2012	263,750	10,162,288	38,530	55,659	5.6
2013	265,900	11,004,272	41,385	54,735	5.6
2014	270,100	11,308,547	41,868	54,822	4.6
2015	273,600	11,604,197	42,413	54,689	3.5

Sources: Population estimates were prepared by the City of Plano. Personal income estimates were obtained from the U.S. Census Bureau for the year 2014. School enrollment figures were provided by the Plano Independent School District (PISD). Unemployment rates were provided by the Texas Workforce Commission.

CITY OF PLANO, TEXAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND SIX YEARS AGO
(unaudited)

Table 16

2015			2009		
Employer	**Employees**	**Percentage of Total City Employment**	**Employer**	**Employees**	**Percentage of Total City Employment**
Bank of America Home Loans	8,000	5.36	Electronic Data Systems	10,530	8.48
Capital One Finance	4,500	3.01	Alcatel	5,560	4.48
HP Enterprise Services	4,500	3.01	J. C. Penney, Inc.	3,700	2.98
Ericsson	3,020	2.02	Countrywide Home Loans	3,000	2.42
J. C. Penney Company, Inc.	3,000	2.01	Frito-Lay	2,400	1.93
Frito-Lay	2,500	1.67	Perot Systems	1,500	1.21
Dell Services	2,250	1.51	J.C. Penney Direct Marketing Plans	1,200	0.97
Texas Health Presbyterian Hospital Plano	1,680	1.13	Medical Center of Plano	1,200	0.97
MedAssets	1,600	1.07	Raytheon	1,200	0.97
Medical Center of Plano	1,600	1.07	Dr. Pepper/SevenUp Corporation	1,100	0.89
Total	32,650	21.86	Total	31,390	25.30

Sources: Plano Economic Development Board
Sources: Texas Workforce Commission

CITY OF PLANO, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(unaudited)

Table 17

	Fiscal year									
	2015	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**
General government	93.0	91.0	96.5	95.0	93.5	54.5	64.5	63.5	65.0	67.0
Administrative services	87.5	83.5	81.5	79.5	79.0	79.5	79.5	86.0	79.0	74.5
Police	611.0	625.5	616.0	606.0	604.5	620.0	651.5	661.0	661.5	622.0
Fire	365.0	359.0	349.0	335.0	334.0	335.0	334.0	335.5	333.0	322.0
Libraries	149.0	148.5	148.5	149.0	159.0	157.0	156.0	172.0	170.0	167.0
Development	167.0	155.5	147.5	148.0	148.0	149.5	159.5	164.0	164.0	174.0
Public services and operations	71.5	69.0	66.5	66.5	67.5	60.5	66.0	64.0	66.5	64.0
Parks and recreation	358.0	347.5	386.0	357.0	342.0	387.5	378.0	376.5	311.5	303.5
Public works	61.0	61.0	61.0	55.0	56.5	64.0	61.5	65.5	61.0	63.0
Technology services	55.0	57.0	50.0	46.0	47.0	49.0	50.0	50.0	47.0	46.0
Water and sewer	147.0	150.0	147.0	146.0	144.5	152.0	153.0	146.5	147.5	139.5
Environmental waste services	95.5	97.5	94.0	95.5	95.5	95.0	93.0	90.5	89.5	85.0
Municipal drainage	28.0	25.0	22.0	22.0	20.0	22.0	19.0	18.0	18.0	18.0
Civic center	40.0	42.0	40.0	40.5	43.0	48.5	50.0	47.5	49.0	46.0
Municipal golf course	8.0	9.5	8.0	8.5	7.0	6.0	7.0	8.0	9.0	9.0
Recreation revolving	126.5	138.5	139.0	160.5	159.0	160.5	169.0	148.0	107.0	111.5
Total	2,463.0	2,460.0	2,452.5	2,410.0	2,400.0	2,440.5	2,491.5	2,496.5	2,378.5	2,312.0

CITY OF PLANO, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)

Table 18

	Fiscal Year									
Function/Program	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**
Administrative Services										
Ordinance/resolution review/preparation	194	226	237	240	258	266	552	658	677	605
Human Resources										
Full-time civilian employees	1,378	1,363	1,330	1,308	1,320	1,349	1,387	1,422	2,050	1,991
Accounting										
Payment requests processed	64,268	64,765	66,076	63,183	65,723	70,850	81,677	86,869	82,630	84,642
Police										
Employees (uniformed)	346	352	345	340	335	340	341	344	343	335
Citations	65,269	68,258	72,507	75,009	60,378	68,598	92,133	87,801	79,224	101,199
Public Safety Communications										
911 Calls*	166,304	164,299	160,196	150,508	150,614	157,277	234,876	228,214	165,194	169,559
911 Dispatches*	218,773	226,704	235,572	239,491	232,981	240,175	229,669	222,252	146,277	150,904
Fire										
Employees (uniformed)	347	341	333	316	315	313	323	317	319	308
Fire runs	24,618	22,615	21,801	20,342	21,040	19,893	20,235	19,665	18,964	18,178
EMS runs	15,462	14,521	14,155	13,293	12,902	12,782	13,693	12,297	11,734	10,786
Libraries										
Volumes in collection	786,982	803,074	811,941	807,343	798,347	757,837	793,073	804,410	761,236	738,939
Registered borrowers	200,369	203,478	205,512	206,550	204,234	200,386	196,093	192,578	173,341	174,970
Development										
Building Inspections										
Inspections (all construction)	59,384	56,014	62,479	58,217	53,890	50,790	52,805	80,600	80,732	91,166
New construction permits issued	1,070	810	818	854	1,885	1,010	825	1,718	1,578	1,957
Engineering										
New Streets/Alleys paved (miles)	4	5	5	2	4	3	2	9	15	12
New Water lines installed (miles)	24	16	21	14	10	23	28	36	46	195
Public Services and Operations										
Environmental Health										
Inspections	5,929	6,087	5,898	5,478	4,489	4,554	3,931	3,961	3,909	3,445
Animal Control										
Animals impounded	7,687	8,302	9,152	9,388	7,591	9,616	8,728	8,307	6,241	5,464

CITY OF PLANO, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)

	Fiscal Year									
Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Parks and Recreation										
Recreation attendance	2,420,165	2,356,309	2,393,394	2,447,363	2,169,763	2,361,390	2,377,182	2,341,119	1,691,348	1,675,541
Recreation center members	49,857	52,664	50,476	35,222	21,690	22,246	22,083	38,341	16,371	15,849
Public Works										
Streets										
Streets, Alleys, and Sidewalks										
Excavate/Replace (Sq Ft)	1,661,006	1,607,939	1,490,877	975,140	1,639,893	1,377,388	877,475	984,657	1,091,732	945,618
Water and Sewer										
Water Customers	80,371	79,139	78,534	78,144	77,720	79,243	77,082	77,440	77,961	77,400
Average Daily Water Consumption (gal)	49,676,000	73,200,000	80,928,294	80,284,182	61,740,731	63,893,260	62,645,000	61,657,000	52,211,000	66,758,838
Maximum Storage Capacity (gal)	85,500,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000
Environmental Waste Services (residential)										
Refuse collected (tons)	58,703	57,154	57,191	57,810	62,078	59,530	60,670	62,982	63,154	61,095
Bulky waste pickups (tons)	5,095	4,925	4,600	4,194	5,544	5,142	5,264	5,650	5,240	4,717
Recyclables collected (tons)	18,627	18,623	18,816	18,882	19,216	19,435	19,632	20,867	20,469	20,667
Yard trimmings collected (tons)	20,840	24,299	21,108	19,614	21,139	21,704	21,465	26,836	24,541	19,021
Municipal Drainage										
Environmental assessment requests	207	133	92	74	70	65	54	82	120	128
Storm sewer inlets maintained	8,462	8,983	9,527	9,673	10,483	10,483	10,483	4,139	10,483	10,200
Civic Center										
Event days booked and serviced	275	247	249	693	883	834	1,145	1,200	1,256	1,205
Municipal Golf Course										
Rounds of golf played	45,223	50,447	53,324	50,759	4,902	41,592	54,109	55,004	51,254	55,670
Recreation Revolving										
Courses completed	7,137	6,966	7,172	6,810	6,924	7,046	6,822	6,896	6,504	6,220

Source: City Departments
Notes: *911 Calls and 911 dispatches include all calls to 911 which represent both police and fire.
Operating indicators are not available for the general government, technology services, property management or downtown center development functions.

CITY OF PLANO, TEXAS **Table 19**
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)

Function/Program	Fiscal Year 2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Police										
Number of stations	3	3	3	3	3	3	3	3	3	1
Number of patrol units	127	124	128	126	121	143	166	189	135	140
Number of motorcycle units	5	6	6	7	7	6	6	6	8	9
Fire										
Number of stations	13	13	13	13	13	12	11	11	11	10
Number of fire engines/trucks	22	22	22	22	22	22	22	22	21	21
Number of EMS trucks	10	10	10	10	10	10	7	7	8	9
Libraries										
Number of libraries	5	5	5	5	5	5	5	5	5	5
Development										
Planning										
Streets- Paved (miles)	1,035	1,031	1,026	1,021	1,019	1,016	1,014	1,012	1,004	990
Alleys- Paved (miles)	519	519	519	519	519	518	517	517	516	515
Public Services and Operations										
Animal Services										
Animal control trucks	8	8	8	8	8	8	8	15	14	11
Parks and Recreation										
Parks* (acres)	4,244	4,241	4,002	3,995	3,994	3,936	3,858	3,858	3,858	3,827
Athletic fields	179	179	179	179	179	179	179	179	175	175
Playgrounds	70	69	69	69	71	71	71	71	68	67
Recreation centers	4	4	4	4	4	4	5	5	5	4
Tennis centers	1	1	1	1	1	1	1	1	1	1
Senior centers	1	1	1	1	1	1	1	1	1	1
Aquatic/Natatorium	7	8	9	9	9	9	9	9	4	3
Public Works										
Traffic signals	221	220	219	219	216	215	212	211	207	205

CITY OF PLANO, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Table 19
(continued)

Function/Program	Fiscal Year 2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Water and Sewer										
Water mains (miles)	1,405	1,391	1,384	1,373	1,367	1,362	1,351	1,335	1,317	1,295
Sanitary sewers (miles)	1,029	1,024	1,019	1,014	1,009	1,007	1,001	999	992	981
Fire hydrants	15,111	14,918	14,817	14,677	14,604	14,516	14,369	14,109	13,840	13,555
Environmental Waste Services										
Collection trucks	50	50	50	50	48	45	45	45	42	38
Municipal Drainage										
Storm sewers (miles)	682	677	673	668	665	662	656	646	635	622
Civic Center										
Civic Centers	1	1	1	1	1	1	1	1	1	1

Source: City Departments
Notes: N/A - Data not available.
*Includes Golf Course.
Capital asset indicators are not available for the general government, administrative services, property management, recreation revolving or downtown center development functions.